

UNIV. OF  
TORONTO  
LIBRARY









Digitized by the Internet Archive  
in 2007 with funding from  
Microsoft Corporation

4 A 97  
R

III

# THE ROUND TABLE

A QUARTERLY REVIEW OF THE  
POLITICS OF THE BRITISH EMPIRE

Volume III

131426  
—  
17/2/14

DECEMBER 1912 TO SEPTEMBER 1913



JN  
101  
R63  
v.3

# THE ROUND TABLE

A QUARTERLY REVIEW OF  
THE POLITICS OF THE BRITISH EMPIRE

## CONTENTS

Arbitration and War	page 1
The Balkan Crisis:	30
1. <i>The Outlook</i>	
2. <i>A German View</i>	
India: Old Ways and New	52
Australian Banking and Currency	81
United Kingdom:	98
<i>The Home Rule Bill—The Constitutional Conference (1910)—The Ulster Question—The Committee Stage—Lord Dunraven and Compromise</i>	
Canada:	134
<i>The Naval Proposals—Railway Rates in the West—French in the Schools</i>	
Australia:	152
<i>Strikes and Legislation—The Political Parties—Current Politics—Universal Military Training</i>	
South Africa:	173
<i>The Rhodes Memorial—The Unveiling of the Memorial</i>	
New Zealand:	178
<i>The Change of Government—The Outlook on Imperialism—The Government Policy and Finance—Reform of the Legislative Council—The Resignation of the Governor—The National Training Scheme</i>	

Nº. 9.      Price 2/6      DECEMBER · MCMXII

London: MACMILLAN & CO., LTD.

## NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Empire, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Empire are in the hands of local residents who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

THE ROUND TABLE can be obtained through any bookseller or through any of the following:

UNITED KINGDOM: Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.

CANADA: The Macmillan Co., of Canada, 70 Bond Street, Toronto.

AUSTRALIA: Messrs Macmillan & Co., Ltd., 109 Russell Street, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: Messrs Macmillan & Co., Ltd., 44 Hornby Road, Bombay; 294 Bow Bazaar Street, Calcutta.

EGYPT: Mr F. Diemer (Finck & Baylaender Suc.), Shepheard's Building, Cairo.

CHINA, JAPAN AND STRAITS SETTLEMENTS: Messrs Kelley & Walsh, Shanghai, Hong-Kong, Yokohama, Singapore.

UNITED STATES: The Macmillan Co., 64-66 Fifth Avenue, New York.



Anyone who desires any information with regard to THE ROUND TABLE and its objects or who has any difficulty in obtaining a copy at the places mentioned overleaf should apply to the following:

UNITED KINGDOM: The Secretary, THE ROUND TABLE, 175 Piccadilly, London, W.

CANADA: A. J. Glazebrook, Esq., Janes Buildings, Yonge Street, Toronto; or J. A. Stevenson, Esq., 264 River Avenue, Winnipeg, Manitoba.

AUSTRALIA: F. E. Barraclough, Esq., Registrar-General's Department, Elizabeth Street, Sydney, N.S.W.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: H. D. Craik, Esq., Amritsar, Punjab.

The price of THE ROUND TABLE is 2s. 6d. per copy and 10s. per annum, post free, including all supplements.

# CONTENTS OF Nos. 6, 7 & 8.

## No. 6. MARCH, 1912.

The Balkan Danger and Universal Peace	page 199
Lombard Street and War	246
The Declaration of London	285
An Early Maritime Confederacy	312
United Kingdom:	318
<i>The Political Situation—Some Phases of the Irish Question</i>	
Canada:	343
<i>Mr Borden and Imperial Policy—Politics in the Provinces—</i> <i>A Story of Expansion—French in the Schools</i>	
Australia:	358
<i>The High Court of Australia</i>	
South Africa:	372
<i>The Defence Bill</i>	
New Zealand:	379
<i>The Neglect of Imperial Affairs—The New Zealand Elections</i> <i>—The Rise of Labour and the Second Ballots—The Compulsory</i> <i>Training Scheme</i>	

## No. 7. JUNE, 1912.

The Durbar and after	page 395
Home Rule	422
The Other Irish Question	447
The Brisbane General Strike	472
United Kingdom:	496
<i>The Political Situation—Mr Churchill's Naval Policy—The</i> <i>Coal Strike</i>	
Canada:	524
<i>Mr Borden in Office—A Constitutional Conflict—Trade with</i> <i>the West Indies—An Imperial Navy</i>	
Australia:	542
<i>Commonwealth Administration—Difficulties of the Labour</i> <i>Party—Political Prospects</i>	
South Africa:	555
<i>The Parliamentary Session—The Work of Reorganization—</i> <i>The Financial Relations Commission</i>	
New Zealand:	568
<i>Local Politics—The Labour Unrest—The Japanese in the</i> <i>Pacific—Commonwealth and Dominion</i>	

# Contents

No. 8. SEPTEMBER, 1912.

India and the Empire	page 587
Canada and the Navy	627
The Labour Movement in Australia	657
United Kingdom:	678
<i>The Difficulties of the Coalition—An Alternative Government</i>	
Canada:	709
<i>The Naval Conference—The Royal Governor—Provincial General Elections</i>	
Australia:	717
<i>A Plea for a National Policy—An Australian Note on Anglo German Relations</i>	
South Africa:	737
<i>The Parliamentary Session—Ministerial Dissensions—The Reconstruction of the Ministry</i>	
New Zealand:	750
<i>Closer Relations with Australia—The Political Crisis—Compulsory Military Training—Labour Unrest</i>	
Index to Vol. II	

## NOTE.—VOL. III

The current issue is the first part of Volume III. Intending subscribers should therefore remit their subscriptions as soon as possible in order to secure the complete volume.

One or two copies of Volumes I and II are left, price 12s. 6d. net each. Covers for binding volumes, price 1s. 6d. net.





# ARBITRATION AND WAR

## I

SINCE the dawn of history warfare has been one of the most important occupations of mankind. From the earliest days, also, prophets and dreamers have looked forward to a happy time when war shall be no more. At the present day, though wars have by no means ceased, we hear a good deal of the movement for the abolition of war, and it is worth while to consider the proposals that are made for this end.

The causes of war have been almost as numerous as the passions and desires of men. The lust for power, or wealth, or territory, religious zeal, commercial rivalry, the conflict of alien civilizations, the instincts of self-preservation and self-development, nay, even the dictates of humanity—all these at different times have driven peoples and nations to take up arms for the enforcement of their claims. The apostles of peace recognize that these tendencies of human nature are permanent, and that success in their crusade against war is hopeless unless they can either provide some other means for settling the rival claims of nations, or render war impossible. The number of disputes which can only be settled by war may no doubt be diminished owing to the growth of better feeling and mutual understanding between nations, and to a clearer perception of their true interests on the part of their rulers; but the fact remains that there are still bound to arise conflicts of irreconcilable

## Arbitration and War

interests or ideals, which nations, if not actually prevented from doing so, will fight for rather than abandon.

Past attempts, therefore, at establishing a universal peace have been directed towards depriving peoples of the power, rather than of the desire, to go to war. Nations, like individuals, can only be prevented from doing what they desire by the prohibition of some stronger power able to enforce its decrees. Private warfare, which in barbarous ages raged within the bosom of a single state, was suppressed by the strong power of a central government. The reign of might among the feudal barons was ended by the superior might of the king. To extend this principle to nations means that there must be some authority powerful enough to compel a rebellious and quarrelsome people to obey its decrees. Its strength must be greater than that of all possible disturbers of the peace. It is this fact, rather than mere greed of power or territory, which explains many of the great epochs of conquest in history. Rome subdued all the nations with whom she came in contact in order to establish the *Pax Romana* throughout the then known world. In like manner Great Britain was driven to conquer India in the interests of peace. The Roman system, during the centuries for which it endured, achieved a large measure of success. It broke down at last when it lost the military strength to compel all peoples to keep the peace. There have been attempts since then to restore the universal dominion of the Roman Empire, but none have met with equal success. The mediæval Emperors and Popes both claimed to be the lawgivers of Europe, supreme above all its kings and governors, and both professed to make the maintenance of peace their chief concern. Both failed for lack of the physical power to enforce their mandates. The later attempts of Louis XIV and Napoleon at universal conquest imbued other nations with a well-founded distrust of this method of abolishing war, and modern Europe fell back upon the system known as the "balance of power" as the best available protection against chaos. World-



## Arbitration and War

power is now divided among a handful of mighty states of fairly equal strength, whose very strength and equality keep them apart. This is the antithesis of the Roman system, and certainly has not succeeded in achieving the abolition of war. An echo indeed of the old idea of some general authority responsible for the peace of the world is to be found in the reliance which was at one time placed on the joint action of these powers in what was called the "Concert of Europe." The last edition of the *Encyclopædia Britannica*, for instance, asserts (*s.v. Peace*) that the Concert "in all matters affecting the Near East considers itself supreme." After the events of this autumn, however, such a claim is hardly likely to be repeated. The fact is that universal peace along this road involves a universal dominion, and since the days of Rome no attempt to establish this has achieved more than a very partial and temporary success. Some indeed may look forward to the time when

the battle-flags are furled  
In the Parliament of man, the Federation of the world,

but this vision is cold comfort to those who hope for the abolition of war within the lifetime of persons now living.

The idea, then, that the peace of the world can be kept by a world-constabulary, acting under the orders of a world-wide state, must be abandoned for the time being. It has been suggested, however, that if the dogs of war cannot be chained up, they can yet be rendered harmless by having their teeth drawn. In other words, the dangers and evils of war would be diminished, if not entirely removed, supposing the great powers of the present day could be induced to agree to a substantial reduction of the enormous armaments which they now maintain in time of peace, because then, however bellicose their feelings, they would only be able to wage war on so small a scale as to be almost useless and even ridiculous. The consequence would be that wars, like French duels, would be so

## Arbitration and War

ineffective that they would go out of fashion, or, if they continued, would be comparatively trivial and harmless affairs. This, too, seems a Utopian idea. The only notable instance where disarmament has actually taken place by agreement is in the case of Argentina and Chile, who agreed in 1902 to reduce their fleets proportionately, and not to build any new vessels for five years without eighteen months' notice to the other party; but this agreement was not renewed, and both powers now have Dreadnoughts on the stocks.

The greatest attempt to secure a general measure of disarmament was made when the present Tsar of Russia summoned a conference at the Hague in 1899 to consider the question. "The maintenance of universal peace," so ran the Russian note, "and a possible reduction of the excessive armaments, which now weigh upon all nations, represent in the present condition of affairs in the world the ideal towards which the efforts of all governments should be directed": and the proposal put forward was for "an understanding not to increase for a fixed period the present effective of the armed military and naval forces, and at the same time not to increase the budgets pertaining thereto: and a preliminary examination of the means by which a reduction might even be effected in future in the forces and budgets above mentioned." This proposal was received by the other powers with a suspicion which, if unfortunate, was at least intelligible. The difficulties which confronted the proposal for a general reduction of armaments were fourfold. In the first place no power was willing to admit that it found the burden of armaments excessive, for fear that its rivals might construe this as a confession of weakness and take advantage of it accordingly. Secondly, it was obvious that no power could make a beginning in this reduction unless assured that all other powers would follow suit. If one stood out of the scheme, none could with safety come in; and even if all agreed, what authority was to see that all interpreted the agreement alike and observed it



## Arbitration and War

exactly? Assuming further that all civilized powers accepted the proposal, there was still the danger that general disarmament might leave the nations of European origin defenceless against such an incursion of less civilized peoples as finally submerged the Roman Empire. In the third place, there was the difficulty of propounding any common formula for proportionate reductions which would prove fair to all concerned. Some powers had the advantage in numbers, others in material, others in money, and it proved impossible to arrive at any method of assessing what each should sacrifice. Lastly, there was the objection that to call a truce at any given moment would perpetuate the relative positions of the various powers at that moment. This was intolerable to those nations which, conscious of their growing strength, felt that they were about to succeed to the predominance of other nations which had obtained that position in the past but were now less able to retain it. It was to them as if in a football match the side which had won the toss and, with the advantage of the wind, had scored a goal should propose to stop at half-time. Such artificial restraints on the progress of a nation could not be countenanced. The nations believed that if a thing was worth fighting for at all, it was worth fighting for with the whole strength at their command, and they could not afford to forego any preparations for that object. The result was that the Russian proposal met with wholehearted support from none, and strenuous opposition from some, of the great powers. All that the Hague Conference of 1899 could do was to express a pious opinion "that the restriction of military charges, which are at present a heavy burden on the world, is extremely desirable for the increase of the material and moral welfare of mankind." This resolution bound nobody to anything, and was passed unanimously.

The effect of this fiasco was that the Russian note summoning the second Hague Conference in 1907 contained no reference to disarmament. The British delegate, indeed, was instructed to put forward a proposal that the great

## Arbitration and War

powers should communicate to each other in advance their programmes of naval construction, but the suggestion met with no response, and the Conference confined itself to repeating the academic resolution of 1899. Subsequent events have shown no sign of any tendency towards a reduction of armaments on the part of the great powers. Indeed the reverse is the case, and nations seem to find the maintenance of strong armies and navies the cheapest, least disturbing and most peaceful way of securing their rightful position in the world and protecting their national interests. The most enthusiastic believers in universal peace have been obliged to admit that for the present no advance towards the abolition of war can be made by way of a general disarmament.

### II

THE prospects, therefore, of rendering war impossible, either by welding the whole world into a single state or by depriving nations of their weapons, are at present remote, and the efforts of reformers for the abolition of war have recently been directed rather towards providing some alternative means of disposing of international quarrels.

The usual and the oldest method of avoiding war is to agree voluntarily on some compromise, and it is the development of this system which has built up the whole structure of diplomacy, which has for its object the removal of the causes of quarrel and the production of agreement by discussion and negotiation. But diplomacy is no universal alternative to war, since it depends for its success on agreement, and wars only occur when agreement is impossible or has failed. Another method has been that when diplomatic negotiations have proved barren or embittered the friendly services of another power have sometimes been employed with success. There are, however, obvious dangers



## Arbitration and War

in bringing in even the friendliest foreign government to umpire between disputing nations, and in any case its *rôle* is confined to offering advice, which may help, but cannot compel, the nations to agree.

Of late a third plan has been urged, and has in some cases been put to the test—that of submitting disputes between nations to the arbitration of some impartial person or tribunal, the decision to be binding on both sides. It is the main purpose of this article to discuss how far arbitration can provide a substitute for war in the case of disagreement between civilized powers.

International arbitration is no new thing. It was common in ancient Greece, and has never been wholly out of use. It has undoubted possibilities, but exaggerated hopes, based on a misapprehension of what has been achieved, are likely to result in disappointment. For arbitration is subject to one fatal limitation. Just as in the case of diplomacy or mediation, arbitration depends for its success on a purely voluntary agreement, the agreement in this case being to submit the subject of controversy to the judgment of a third party, and to refrain from attempting to win by recourse to war. We cannot say that arbitration is a cure or preventive for war, since arbitration, as known to-day, is only possible *after* the disputants have decided against war. In every case in which arbitration has been invoked the disputants have had the free choice between war and peace. It has not been the labours of the arbitrators—praiseworthy though they may have been—that have prevented war, but the deliberate and prior decision of the sovereign parties to the dispute.

This will appear more clearly from an examination of one or two instances of arbitration in which Great Britain has been concerned. The “Alabama” case—perhaps the most widely discussed arbitration case there has ever been—arose out of claims made by the United States for damages caused during the Civil War by the alleged breach of neutrality on the part of Great Britain in not preventing this privateer from leaving

## Arbitration and War

her shores. These claims for years embittered the relations between the two countries. At last, in 1871, it was agreed to appoint High Commissioners at Washington—who, be it observed, were diplomatic agents, not arbitrators—to try to find some settlement of this and other outstanding disputes. The proposal was made to refer the “Alabama” claims to arbitration, but the American commissioners refused to consent “unless the principles which should govern the arbitrators were first agreed upon.” The British Government, thereupon, after long and delicate negotiations, agreed to embody in the treaty of Washington three rules, which defined the duties of neutrals in such a way as practically to admit that Britain was liable, and to leave to the arbitrators at Geneva only the task of assessing the damages to be paid. The amount awarded was £3,000,000. The question, therefore, which was settled by this famous arbitration was not the point of principle which had brought two nations within sight of war, but a mere question of account, a matter over which, unless complicated by questions of principle, it is safe to say that no two nations ever did or ever will go to war. In other words, it was the “three rules,” and not the Geneva Convention, that settled the “Alabama” case. The value of the incident in international law was further diminished by the fact that Great Britain expressly refused to admit that the “three rules” were binding at the date of the acts complained of, and that no other nation has since acknowledged the validity of these rules.

It is often said that arbitration has been peculiarly successful in averting war in cases of disputed frontiers, especially frontiers professedly defined in some agreement between the parties. A recent American treatise asserts that “perhaps the most striking monument to arbitration to-day is the thin border line which divides the United States from England’s North American dominions.” Let us examine this claim. The frontier was laid down in the treaty of Paris of 1783, but disputes early arose as to its interpretation. Of these disputes the questions of the



## Arbitration and War

eastern boundary of Maine and the line through the St Lawrence and the Great Lakes were settled partly by arbitration under the Jay treaty of 1794 and partly by two commissions appointed under the treaty of Ghent of 1814. These questions were, none of them, of first-rate importance, and never seriously excited national animosities; not so the disputes which still remained unsettled. The north-eastern boundary of Maine, New Hampshire and Vermont, and the frontier between what are now Minnesota and Ontario were also referred to commissions under the treaty of Ghent, but in the former case the commission disagreed, and in the latter their award was never accepted by either side. Arbitration—this time by the King of the Netherlands—was again tried in the case of the Maine boundary, but his award was not accepted by either side, and the only effect was to keep alive the feeling of resentment which the dispute had aroused between the two countries. Eventually both questions were settled, not by arbitration, but diplomatically by the Ashburton treaty of 1842. It was a treaty again, and not an arbitration, that in 1846 disposed of the Oregon boundary dispute—another occasion of acute tension seriously endangering the cause of peace, and one which gave rise to the American battlecry of "Fifty-four forty or fight." A subsidiary point of interpretation of this treaty, relating to the islands between Vancouver and Washington, which aroused no strong feelings on either side, was settled by the arbitration of the German Emperor in 1871; and finally a treaty of 1903 referred the disputed Alaskan boundary to the decision of six arbitrators.

Thus of the three principal frontier disputes between Great Britain and the United States, namely, those of Maine, Oregon and Alaska, only the last was successfully disposed of by arbitration, and even in that case the award was strongly attacked, especially in Canada, as partaking more of the nature of a diplomatic than of a judicial settlement. The two former, which were the only two questions

## Arbitration and War

of boundary which ever led to serious danger of war between the two countries, were settled by agreement without recourse to arbitration at all.

Now these settlements of the "Alabama" claims and of the Canadian frontier are both claimed by advocates of arbitration as shining instances of the success of that principle in averting war. Both disputes raised questions which one would have thought eminently suited for judicial decision—the former turning on points of international law which had long been commonplaces of the jurists, the latter on the interpretation of a semi-legal document. Both disputes at times brought two great nations within sight of war. It is instructive, therefore, in these cases to observe how great a part in averting war was played by the old-fashioned and discredited method of diplomacy, and how little in reality by arbitration.

The limits of an article do not permit an examination of the circumstances of other arbitrations. What has been said above must suffice here as a basis for the proposition that the decision of arbitrators cannot be accepted as an alternative for the arbitrament of war. It is not about questions of fact or disputed principles of international law that nations fight, but about the practical results of those facts or principles. When once a nation has made up its mind to accept the results which may follow a decision of an outside authority that the other side is right in its facts or law, then the danger of war is past, and it is not till then that arbitration finds a place. There can be no arbitration on any question unless, and until, both parties have agreed to submit that very question to arbitration. Arbitration, then, presupposes an agreement; it does not produce one.\*

\* Cf. The German Chancellor's speech on Anglo-American Arbitration in the Reichstag (March 30, 1911).

"As regards the clause about honour and vital interests, however, I am convinced that the abolition of the clause does not create peace between the two nations, but merely constitutes an assertion that a serious occasion for breach of peace between the two nations is unthinkable. An unlimited



# Arbitration and War

## III

**B**EFORE an arbitration can take place, three points must be agreed, what is the exact question to be submitted, what principles are to be applied in deciding it, and who is to be the arbitrator. The settlement of this protocol is usually found to be as difficult as the settlement of the original dispute itself. Consequently the attempt has been made to remove this obstacle by making an agreement of general application as to the matters to be referred to arbitration and the manner in which they should be decided. If some permanent tribunal could be set up to which all nations would agree beforehand to refer all future arbitrations in which they might be concerned; if, further, some formal international declaration could be made of the legal principles on which that tribunal was to act; and, lastly, if all nations would agree that all disputes, or at any rate all falling under certain categories, that might occur in the future, should be so referred, then it was thought many of the obstacles to a permanent peace might be removed.

It was to this problem that the Hague Conference addressed itself after its failure on the question of disarmament, referred to above. Various proposals were laid before the 1899 Conference, and the result was announced with some complacency; but, when all is said and done, the practical advance effected is remarkably small. A "convention for the peaceful adjustment of international differences" was adopted, which, after a preamble in somewhat high-flown language, provided for the establishment of a Permanent Court of Arbitration consisting of a list of persons

---

arbitration treaty merely puts the seal upon a state of things already existing *de facto*. Let this state of things change—let there arise between the two nations antagonisms which cut to the quick—then I should like to see the arbitration treaty that does not burn like tinder."

## Arbitration and War

nominated by the contracting powers, from which any signatory which might hereafter engage in arbitration agreed to select its arbitrators. Certain rules of procedure were also laid down, but nothing was done to settle beforehand which of the long list of arbitrators was to sit in each case, on what principles the court was to decide, nor what kinds of disputes were to be referred to it. All this was left for subsequent settlement after the dispute had arisen. Of the three difficulties referred to above the only one which was touched was that of the constitution of the court, and even here the necessity for a special agreement in each case was not removed.

The second Conference of 1907 revised this convention in certain particulars, but added little to its practical effect. In language even more grandiloquent it declared itself "unanimous in admitting the principle of compulsory arbitration" and "in proclaiming that, although it has not yet been found feasible to conclude a convention in this sense, nevertheless . . . the collected powers . . . have succeeded in the course of this long collaboration in evolving a very lofty conception of the common welfare of humanity," but nothing was done to realize this conception, whatever it might be, for it was not defined. This Conference did, it is true, add a new piece of machinery to the convention in the shape of the "international commissions of inquiry" which, in disputes involving neither honour nor vital interests, and arising from a difference of opinion on points of fact, should elucidate the facts by impartial investigation, and so facilitate a solution which diplomacy had hitherto been unable to obtain. Here again there is the fatal weakness that, as in the case of arbitrations by the Hague Court, a special agreement is necessary to determine who are to be the members of the commission, and to define the facts to be examined.

Two attempts were indeed made at the Hague in 1907 to establish an international court composed of real judges appointed beforehand to decide all cases that came before



## Arbitration and War

the court during their tenure of office. A separate convention was drawn up for constituting, side by side with the Permanent Court of Arbitration, a "Judicial Arbitration Court, composed of judges representing the various juridical systems of the world and capable of ensuring continuity in jurisprudence of arbitration." No agreement, however, could be reached as to how these judges should be appointed, and the Conference had to content itself with calling attention—not unanimously—to the advisability of adopting the draft convention just referred to as soon as an agreement could be reached as to the selection of judges. The other case referred to was the convention for the creation of an International Prize Court, composed of fifteen judges nominated by the signatory powers, to hear appeals from national prize courts. Here indeed was a true court with permanent and general jurisdiction, and the subject with which it was to deal was, one would have thought, singularly well suited for semi-judicial decision. When, however, the convention was submitted to the powers, the difficulty arose that the laws of different countries differ materially on the subject of prize. Which system was the international court to follow? The convention vouchsafed no guidance on this point beyond providing that, in the absence of treaty, the court should apply the rules of international law, or, if no generally recognized rule existed, should give judgment in accordance with the general principles of justice and equity. A brief examination sufficed to demonstrate the inadequacy of this formula, and accordingly the Declaration of London was drawn up by representatives of the great powers, laying down a code of rules in many disputed points which the international court should apply. The Naval Prize Bill, however, which was introduced to give effect to this Declaration, was rejected by the House of Lords, and in consequence the Prize Court Convention has never been ratified. This transaction was the subject of an article in THE ROUND TABLE for March, 1912, and need not be further discussed here. It may be observed in passing that, apart

## Arbitration and War

from objections to details of the Declaration, the most powerful factor in securing its rejection was the natural hesitation to submit questions of belligerency, which might be of vital importance to this country, to the decision of any body of foreigners.

The two Hague Conferences, then, did not succeed in establishing any court of arbitration which is really judicial, or really permanent; they did not succeed in laying down any considerable body of law for such a court to administer; and they did not succeed in reaching any agreement as to the class of questions which should be submitted to such a court. Even such conclusions as the jurists in the Hall of Knights were able to propound, modest as they seem to be, were not announced without some searchings of heart on the part of the countries concerned. The United States only ratified the arbitration conventions with an express reservation of the Monroe doctrine from its scope; and none of the other conventions drawn up in 1907 have yet been ratified by the powers. The Hague Conference has a long way to travel before it can justify the claim, sometimes made on its behalf, that it should be regarded as the legislature of the world. Its history, indeed, only shows how little two lengthy conferences of the most distinguished diplomats and jurists in the world have been able to remove the practical obstacles which stand in the way of the more extended use of arbitration as a method of settling international disputes.

### IV

**A**S has already been pointed out, the main obstacle to the substitution of arbitration for war in the settlement of all international differences is the necessity for an agreement in each case between the parties concerned to adopt this alternative. Accordingly at the Hague an endeavour was made to surmount this obstacle by securing a general



## Arbitration and War

agreement beforehand to resort to arbitration instead of war in all future disputes. In other words, there was to be an agreement to agree to arbitrate. This, one would have thought, was only putting the difficulty back a step. In any case, the Hague Conferences failed in this endeavour, since they did not succeed in settling any of the three further points on which such a general agreement would have to be based—namely, who are to be the arbitrators, what law they are to apply, and what questions they are to decide.

Side by side, however, with the Conferences at the Hague other attempts have been made to arrive at a general agreement to arbitrate. The most interesting are those connected with the arbitration treaties between Great Britain and the United States—the two nations whose general relations and pacific policy are most likely to produce success.

The first attempt was made in 1897 by the Olney-Pauncefote Treaty. Both parties agreed to submit to arbitration all questions in difference between them which they might fail to adjust by diplomatic negotiation. The Arbitral Tribunal was to be appointed by agreement between the parties in each case as it arose. No limit was laid down as to the class of questions that might be submitted, but, while in other cases a bare majority of arbitrators sufficed for a decision, in questions involving territorial claims or principles of grave general importance affecting national rights a majority of five to one was required. If such preponderance could not be obtained, there was to be no recourse to hostile measures until the mediation of some friendly power had been invited. This treaty was commended by President Cleveland to the Senate, not as a final measure, but as marking the beginning of a new epoch in civilization. It was, however, amended and finally rejected by that body, mainly on the ground that it infringed the treaty-making prerogative of the Senate under the American constitution.

In 1905 general arbitration treaties were negotiated by President Roosevelt with several powers, including Great

## Arbitration and War

Britain. Under these treaties a special agreement had to be made in each case for the purpose of defining the questions and the powers of the arbitrators in that case. The Senate altered the word "agreement" into "treaty," to secure a reference to themselves in each case, and thereupon the President abandoned the treaties. In 1908, however, a series of treaties was passed by the Senate, and these, which include one with Great Britain, are still in force, though they expire in April, 1913. They contain only three articles, and are much less elaborate than the Olney-Pauncefote Treaty. The parties agree that "differences which may arise of a legal nature or relating to the interpretation of treaties between the parties and which it may not have been possible to settle by diplomacy shall be referred to the Hague Permanent Court of Arbitration, provided that they do not affect the vital interests the independence, or the honour of the parties, and do not concern the interests of third parties." In each individual case a special agreement must first be concluded "defining clearly the matter in dispute, the scope of the powers of the arbitrators, and the periods to be fixed for the formation of the Arbitral Tribunal and the several stages of the procedure." This special agreement must obtain the consent of the Senate, and His Majesty's Government may require the concurrence of any self-governing Dominion affected.

It will be seen that neither the abortive treaty of 1897 nor the existing convention of 1908 makes much advance in solving the three difficulties referred to above. Neither succeeded in setting up an arbitral court which should be in existence before the dispute arose, for, as pointed out already, the Hague Permanent Court, to which disputes under the current treaty are referred, is not in truth a court, but merely a panel from which possible arbitrators may be selected. Neither treaty gives any indication of the principles on which the court, when constituted, is to decide the dispute. As regards the third point, viz., the class of disputes to be referred to arbitration, the



## Arbitration and War

Olney-Pauncefote treaty is so wide as to be quite indefinite, while the treaty of 1908 is too restricted in its scope to be of much value as a possible substitute for war. In 1897 no kinds of dispute were excluded by name, but the method of constituting the court made it easy for either party, if it did not wish to arbitrate, to evade its nominal obligations. In 1908 no disputes were included except such as turned on questions of law or interpretation, and even these, if they involved questions of vital interest, honour or independence, were removed from the sphere of arbitration. It is hardly to be wondered at that such a treaty has had no effect on the warlike preparations of any of the countries concerned.

The last attempt to be considered in this connexion is the Anglo-American arbitration treaty of last year. An identical treaty between the United States and France was negotiated at the same time. This treaty provided for the arbitration of "all differences hereafter arising between the parties, which it has not been possible to adjust by diplomacy, relating to international matters in which the parties are concerned by virtue of a claim of right made by one against the other under treaty or otherwise, and which are justiciable in their nature by reason of being susceptible of decision by the application of the principles of law or equity." The reference was to be to the Hague Permanent Court of Arbitration or to some other tribunal, to be decided by a special agreement, which should also define the scope of the powers of the arbitrators, the question or questions at issue, and the terms of reference. This special agreement required the consent of the Senate of the United States, and the optional provisions of the Hague Convention, giving the court of arbitration power to settle its own *compromis*, were expressly excluded. The machinery of the "Commission of Inquiry" was also borrowed from the Hague Convention, though with important modifications. A Joint High Commission of Inquiry, consisting of three members

## Arbitration and War

appointed by each side, was to be instituted, as occasion might require, to investigate any controversy within the general scope of the treaty, before it was submitted to arbitration; and also any other controversy hereafter arising, even if both parties were not satisfied that it fell within such scope. The reports of the commission were not to be regarded as decisions of the matters submitted either on the facts or on the law, and were in no way to have the character of an arbitral award. Finally, clause 3 of Article III contained the important provision that in cases in which the parties disagreed as to whether or not a difference was subject to arbitration under the treaty, that question should be submitted to the Joint High Commission of Inquiry; and if all, or all but one, of its members reported that the difference was within the scope of the treaty, it was to be referred to arbitration.

Let us see how this treaty tackles the three difficulties stated above. As regards the selection of judges, no advance is marked on the previous treaties and conventions already discussed. Whether the dispute is referred to the Hague Court or some other tribunal, in either case the arbitrators who are to settle it have to be selected after the dispute has arisen. Even the Commission of Inquiry is to be specially instituted to deal with each case. There is no court established beforehand to deal with all arbitrations that may arise hereafter. As regards the law to be administered by the arbitral tribunal when established, there is no attempt to meet this difficulty, beyond a vague reference to the "principles of law or equity." These words have a clear and technical meaning in the municipal jurisprudence of England and the United States; they do not appear to mean anything particular in the courts of France, which is a party to one of the treaties; and they certainly do not carry us far in the field of international law. As regards the questions to be submitted to arbitration, the old plan of excluding by name matters affecting "vital interests, honour, or independence" is abandoned, and all questions



## Arbitration and War

are to be arbitrated which are "justiciable in their nature." It is difficult to say what these words really mean. One possible interpretation is that they are the same as the "differences of a legal nature" which are the subject of the existing treaty of 1908. If so, they do not, as in its preamble the new treaty claims to do, extend the scope of arbitration beyond the somewhat narrow limits then laid down. On the other hand they may include any question capable of decision on the principles of natural justice. In that case they are so vague as to add nothing to our knowledge of the matters with which the treaty is really intended to deal.

There would be nothing in fact to differentiate this treaty from its predecessors were it not for the important provisions in clause 3 of Article III, that a Joint High Commission can decide whether a difference is subject to arbitration or not. This clause was the rock on which the treaty was wrecked. The Senate considered that the clause would in effect transfer to the Joint Commission the power to decide whether the special agreement constituting the arbitral tribunal should be made or not, and would therefore be an infringement of the enactment in the constitution that all treaties must be made by the President by and with the advice and consent of the Senate. They accordingly struck the clause out of the treaty.

Whether the Senate was right or wrong in their reading of constitutional law need not be discussed here; but the point of principle underlying their decision is more important. The significance of clause 3 is that it represents the first serious attempt to secure that general agreement to agree in each particular case to submit to arbitration, the lack of which is, as we have seen, the initial difficulty of the proposal that arbitration should become a universal substitute for war. If the parties to the treaty could be got to agree beforehand that the question, whether any particular difference arising in the future was to be arbitrated, should be taken out of their hands and left to the decision of a

## Arbitration and War

presumably impartial commission, then a great step would have been taken in solving this difficulty. This was how the authors of the clause themselves regarded it, and this was why they considered its inclusion essential to the success of the treaty. "What is there," said President Taft, "to prevent the Senate from uniting with the Executive in agreeing to settle future controversies of a given description by the judgment of an impartial tribunal, and to submit to that tribunal not only the question how the issue ought to be decided, but also as a condition precedent whether the issue is within the terms of the treaty already made?" In these words the President fully accepted the doctrine that there should be no reservations in the agreement to arbitrate. As far as it can be done by treaties the parties should put it out of their power to refuse arbitration.

It is true that clause 3 did not stop up every loophole for withdrawal. Whatever the decision of the joint commission might be, the special agreement constituting the arbitral tribunal and defining its powers and terms of reference in each case would still have to be made by the parties themselves, and there was nothing to prevent them from refusing to make such an agreement. In this respect the treaty did not really carry out the objects claimed for it by its supporters. But even the partial limitation of national freedom of action implied in the treaty was sufficient to arouse hostility. The majority and minority of the foreign relations committee of the Senate differed in their views as to the legal effect of the clause on the constitutional rights of that body, but the minority were as emphatic as the majority in affirming that "there are some questions of national policy and conduct which no nation can submit to the decision of anyone else."

It was pointed out with some force that, though American friendship with England and France fortunately rests on much deeper and firmer foundations than any paper promises to arbitrate could create, and that, treaty or no



## Arbitration and War

treaty, any difference with those nations, which could possibly be referred to arbitration, would be referred as a matter of course, yet the very fact of entering into treaties with these powers would be an invitation to other powers whose relations with the United States might be very different to ask for the same terms. There might well be countries to whom a treaty containing a clause like clause 3 would be an incentive to raise questions which they would not otherwise dare to touch, and in this way such a treaty would rouse a series of disputes, now happily at rest, into malign and dangerous activity, and would be a breeder of war and not of peace. The upshot was that, besides striking out clause 3, the Senate embodied in its resolution of ratification a series of reservations excluding from arbitration any question affecting alien immigration, the admission of aliens to schools, the territorial integrity of the States, the validity of the southern bonds, the Monroe doctrine, or any other purely governmental policy. The treaty with these amendments could not claim any value as a general agreement to substitute arbitration for war. Its ratification was not proceeded with, and the arrangements for arbitration between Great Britain and the United States now depend, without any apparent injury to the friendly relations between the two countries, on the treaty of 1908 which expires in April, 1913.

## V

**G**REAT BRITAIN and the United States, then, have not yet succeeded in establishing arbitration as the general solution of all differences that may occur, and no other nation has attained any nearer to this goal. The difficulty of substituting general treaties of arbitration for war in all cases is the same as that which hampers the use of



## Arbitration and War

special arbitrations to deal with particular cases as they arise. It is the difficulty already described. In either case arbitration presupposes an agreement. If there is no agreement there can be no arbitration.

But there is a further difficulty. Even if the nations could be persuaded to enter into general treaties of arbitration there is nothing except the treaty obligation to secure that when difficulties arise the agreement shall be observed. Agreements of the most solemn kind, whether between men or nations, have been broken in the past, and will be broken in the future. In private life there is the law to keep men to their contracts, and Sir Edward Grey, when discussing disarmament in the House of Commons, argued that "you will not get it (i.e. disarmament) till nations do what individuals have done—come to regard an appeal to law as the natural course for nations, instead of an appeal to force." But nations at the present day stand before the law in a very different position from individuals. An essential feature of private law is that it possesses a "sanction," that is to say, a breach of the law entails a penalty. It is an unfortunate fact, which our knowledge of human nature will not permit us to dispute, that the manner in which men fulfil their obligations and perform their duties as citizens would be much less satisfactory even than it is, were it not for the knowledge that the State is prepared to use its strength to compel them to do what it commands and to refrain from doing what it forbids. The fountain of law may be the sense of right in mankind, but the true guardian of the law is not man's conscience, but the strong arm of the policeman. The "sanction" of law, in fact, is force. It is untrue to say that law is a substitute for the resort to force, except in the sense that the knowledge of the overwhelming force behind the law deters men from using force for their own private ends. People often obey the law, not because they have agreed to do so, but because they are afraid to do otherwise.

International law is not real law, because it lacks this essential sanction, and if a general treaty to arbitrate were

## Arbitration and War

signed and took its place in the body of international law, it would still lack the force of law, because there would be no power to compel observance of it. To ensure, therefore, the universal observation of a general treaty of arbitration, it would be necessary, as in the case of private citizens, to have some force in reserve powerful enough to compel nations to do so. Where in the present state of the world is to be found the force to compel the parties to a general arbitration treaty to submit to arbitration when the time for arbitration comes? This difficulty was felt by Sir E. Grey, and he suggested a possible solution. "I think," he said, "it (i.e. a universal arbitration treaty between Great Britain and the United States) would probably lead to their following it up by an agreement that they would join with each other in any case in which one only had a quarrel with a third power by which arbitration was refused." These words, however, were construed as suggesting a defensive alliance, and aroused so much suspicion that Sir E. Grey had to admit three days later that to introduce any such condition into an arbitration treaty would impair its chances here and elsewhere, and, by alarming other powers, would completely spoil its possible effect in mitigating expenditure on armaments.

The idea hinted in this speech, if carried to its logical conclusion, would mean that all the nations of the world should agree to force any recalcitrant nation to submit to arbitration. The weakness of this proposal is that it depends on a mere agreement which there is nothing to compel the parties to observe. Agreements are not laws, and such an agreement among the nations would have no more connexion with the reign of law in international affairs than "lynch law" has with civilized government. Neither citizens nor nations can take the law into their own hands against wrongdoers without an increase, rather than a diminution, of disorder. The only guarantee for internal peace is the concentration of sufficient force in the hands of the state. Just so the only authority that can



## Arbitration and War

compel nations to fulfil their obligations is a world-wide state with sufficient force to impose obedience to its decrees. This brings us back to the notion of universal dominion which was discussed at the beginning of this article. The nearest approach to it is the British Empire, a system which maintains the peace as well as good government between five modern nations and some hundreds of millions of other people of every degree of colour and civilization.

But even supposing all the nations of the world could be got to agree always to arbitrate and never to fight, and could be compelled to abide by this agreement, there are many who doubt whether such a consummation is desirable so long as the political arrangement and the civilization of the world stand on anything like the present basis. Advocates of arbitration are apt to be led astray by the legal analogy into supposing that the only thing which can involve a nation in war is some "dispute" with a neighbour. This is not the case. Differences of opinion and disputed claims are far less fruitful causes of war than the more fundamental conflicts which arise from the clash of irreconcilable policies or ideals, as in the case of colour, the pressure of national growth or development, which can only be satisfied at the expense of other nations, or the impulse to replace a lower by a higher form of civilization. There may come a time in the history of any nation when it is called upon to decide whether it will consent to the abandonment of its most cherished ideals, nay, even to its own extinction as a nation, or will fight in defence of the cause it holds dear. No nation worthy of the name would agree to leave this decision to any outside arbitrators. The essential point, which distinguishes a nation in the political sense, is its sovereignty. It has the right to command anything of its citizens, but itself acknowledges no superior. This attitude it cannot surrender without ceasing to exist. An unreserved submission to any outside authority, whether it be another nation or an arbitral court, would be an abdication of this sovereign status, which no nation can make if it is still to



## Arbitration and War

remain a nation. International law itself, the spirit in whose name arbitration is invoked, admits the right of a nation faced with such a choice to resort to war. "In the last resort," says one of the greatest authorities\* on the subject, "almost the whole of the duties of states are subordinated to the right of self-preservation." So long as patriotism, as we understand it, is counted a virtue, each man's country is entitled to demand from him unlimited sacrifices, and the good citizen will cheerfully consent to lose his life or property in defence of his national ideals. It will be long before he will be willing to stand idly by while these ideals are juggled away by any court of law, however august. Love of country, in the last resort, is a stronger force in human nature than the love of peace.

Two recent events of very different kinds will illustrate in a curious manner the limits beyond which nations, whatever they may profess beforehand, will refuse to carry their devotion to the idea of arbitration. The management of the Panama Canal by the United States is subject to the Hay-Pauncefote treaty of 1901, Article III of which provides that "the canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise." The Act passed in the last session of Congress, however, for regulating the operation of the canal, provides for the exemption from tolls of vessels engaged in the coastwise trade of the United States, and possibly of all other vessels flying the American flag. It also prohibits the use of the canal by ships belonging to railway companies, a prohibition which, it is feared, may operate to discriminate against the vessels owned by the Canadian Pacific Railway and other Canadian railways. While the Act was still before Congress the British Government entered a protest against these two provisions as

\* Hall's *International Law*, part II, chap. vii.

## Arbitration and War

involving an infraction of the spirit, if not of the letter, of the Hay-Pauncefote treaty. President Taft, however, in assenting to the Act, argued that "all nations" meant "all nations other than the United States," and therefore the clauses in question were no infringement of the treaty. It is clear, however, that, if it cannot obtain its rights in any other way, the British Government will demand that the question should be referred to the Permanent Court at the Hague for arbitration.

The dispute in this case arises on the interpretation of a treaty, and the existing convention between the two countries provides for arbitration in all cases of differences of this very kind. One would have thought that no vital interests were affected, and that the question was eminently one which could and should be settled by arbitration. There is, however, a strong and influential body of opinion in America which, while professing to wish to interpret the treaty with absolute justice to the British claim, indignantly repudiates the idea that the question should be submitted to the arbitration of any outside body. The President, in his memorandum to accompany the Act, suggested that it would be sufficient for aggrieved persons to have recourse to the Supreme Court of the United States, and this suggestion apparently commends itself to public opinion in America.

If this is the view taken by the nation which prides itself on being the leading advocate of universal arbitration, in a case which simply involves the interpretation of a treaty, it is hardly surprising that arbitration was not invoked to avert the terrible struggle now proceeding in the Balkans. Yet even here, according to the strictest doctrines of the peace party, arbitration should have found a place. All the five states concerned were parties to the Hague Conference of 1907, which drew up the convention for the pacific settlement of international disputes. Article 48 of that convention declares that "the contracting powers consider it their duty, if a serious dispute threatens to break out between two or more of them, to remind these latter that the perma-



## Arbitration and War

ment court is open to them." It would be interesting to learn whether this reminder was offered to any of the Balkan states, and, if so, what answer was returned. In truth, of course, the idea of arbitration in such a case is absurd. A reference to arbitration really assumes either that success is not essential to national existence, or that some compromise of the opposing claims is possible. What compromise was possible in such a conflict of race and religion, in which the Christian Bulgars, Serbs and Greeks felt at once the power and the duty to free their kinsmen and co-religionists in Macedonia from the oppression of centuries, and in which the Turks felt that their honour and their religion were bound up with the maintenance of the territorial integrity of their Empire? Compromise was impossible, and unqualified success for either side involved the ruin of its opponent. No nation can abandon a cause of this sort without fighting, once the crisis has arisen, and still remain a nation. Conflicts of irreconcilable ideals of this kind are by no means rare. We had our own experience not so long ago in South Africa, when it became clear, both to Briton and Boer, that either the Union Jack or the *Vierkleur* must disappear from the sub-continent. So long as national patriotism takes precedence in men's hearts over the love of humanity, as it does and will for many a long day, so long will war remain as the final judge between the nations.

All this does not mean that arbitration can serve no useful purpose in smoothing the course of international politics. Undoubtedly it can and does. It provides a convenient formula which weary diplomatists, immersed in long and difficult negotiations, are glad to grasp at. In such discussions troublesome points of detail, comparatively unimportant in reality but obstinately refusing to disappear, are constantly cropping up. It must be a vast relief to be able to wave them aside by a reference to arbitration. Governments shrinking from war but urged on by an angry people can soothe the punctilio of national pride by pointing out that they have not yielded but have merely invoked a



## Arbitration and War

judicial decision, secure in the justice of their cause. The arbitration between Russia and England, over the destruction of part of a British fishing fleet by the Russian warships during the Russo-Japanese war, is an excellent example of this. Public opinion, too, which is not without weight even in international affairs, may be enlisted on the side of a country which is so eminently reasonable as to be willing to refer the dispute to an impartial tribunal. Moreover, between any two nations at any given time there are always a certain number of open questions, which are recognized as not worth fighting about, but which still, so long as they are unsettled, are a source of constant or intermittent annoyance. Diplomacy has its hands full, and besides has a constitutional tendency to let sleeping dogs lie. Arbitration can serve an excellent purpose by disposing of such questions before they become acute. Lastly, human nature is invincibly disposed to believe that what has been done once should be done again. If an arbitration, conducted with dignity and impartiality by arbitrators of weight and reputation, applies certain principles in arriving at its decision, there is a strong tendency to accept those principles as applicable to any similar cases which may arise. Few nations will embark on a dispute believing at the outset that they are in the wrong, and they may well be deterred from ever espousing a cause by finding that all the precedents are against it.

Arbitration, then, has many uses. It is difficult indeed to define the limits within which it may be employed. It has been usual to assume that there are certain classes of questions which cannot be disposed of by this means, but this assumption may be doubted. The phrase generally employed is that questions involving "national independence, honour or vital interests" must be excluded from the possible scope of arbitration. The supposed rule is, however, difficult of application, the difficulty being that any nation's idea of what involves its national independence, honour or vital interests will be found to vary at different times. Cases

## Arbitration and War

are not rare where points on which nations have declared that they will fight rather than surrender have subsequently been referred to arbitration. The "Alabama" claims and the Oregon boundary dispute, alluded to above, are instances in point. The fact is that there is almost no class of question which may not sometimes be referred to arbitration, just as there is no class which is not sometimes insoluble by that means. The dividing line is not the kind of question involved, but its importance, real or it may be only supposed, to the parties concerned at the time the dispute arises. The same nation, which in a peaceful or submissive mood will be willing to refer almost anything, may under other circumstances resolve that even imaginary wrongs can be avenged only by the sword. So long as in every crisis the nations retain freedom of choice between peace and war, that country which trusts solely in the justice of its cause will fare but ill.

What, then, is the conclusion of the whole matter? Arbitration is no cure for war so long as there is no agreement between nations to substitute arbitration for war, and no power strong enough to enforce such an agreement if made. So long as the world is divided into peoples as passionately attached to their national individuality and independence as they are to-day, no such agreement can be made and no such power can be established. Meanwhile the nations are in the position of the strong man armed keeping his palace. When a stronger than he shall come he shall divide his spoils. The only security for a nation's peace is its own strength for self-defence; and its best guarantee that it will not be attacked is to make the attempt too dangerous for any possible foe to undertake it. For this reason armaments to-day, instead of being a menace to peace, are its best protection. Any nation which, lulled by dreams of the early coming of universal peace, neglects to prepare for possible war, is only inviting a stronger neighbour to use its own strength in the day of quarrel.

# THE BALKAN CRISIS

## I. THE OUTLOOK

THE long-expected crisis in the Balkans has arrived, and, as shrewd observers expected, it has been solved by war. The broad outcome is assured. After more than four centuries of misgovernment of their Macedonian subjects the Turks are to retire from Europe, and the Christian peoples of the Balkans are to rule in their place.

It is not the purpose of this article to forecast the Balkan settlement. In the main the settlement will be determined by the four Balkan allies, whose chief object has been to rescue their oppressed compatriots and to incorporate the territories they occupy within their own states. For many years the achievement of this end has been delayed by their own racial and national jealousies. The formation of the Balkan League last July—based, it would seem, on an agreement about the division of the peninsula in the event of success—removed this obstacle and opened the last act of the long drama of Turkish decline. As all the allies have uniformly met with success in the war, it is probable that the territorial partition of European Turkey will follow the terms previously agreed upon among themselves.

We need not stop to consider its details. An article on the Balkan situation appeared in *THE ROUND TABLE* for March last which gave the numbers and distribution of the races and religions in European Turkey, and it is on these that the general scheme of division will almost certainly be based.



## The Balkan Crisis

It is rather the purpose of this article to point out the grave consequence for Europe and the British Empire which may follow this sudden revolution in the Near East.

In the modern world it is not possible to isolate even a comparatively backward and undeveloped region like the Balkan Peninsula, so that events within its borders will cause no effects beyond it, and though there is no reason to expect that the great powers will interfere with the general lines of the partition which may be agreed upon by the allies, there are aspects of that settlement which will affect the interests of one or other of them very seriously. The power most concerned is Austria-Hungary. She alone of the great powers has a land frontier with Turkey and the victorious Balkan States, and a rearrangement of boundaries and the appearance of new powers on the Ægean and the Adriatic, cannot but be of moment to her. But she is concerned for another reason. Her internal politics, as well as the whole course of her future, is bound up with the solution of the problem of the Southern Slavs of Serbo-Croat race. The Southern Slavs number 9,000,000. Of these 6,000,000 dwell within the confines of the Monarchy, and 3,000,000 in Serbia, Montenegro, and the adjacent territories recently conquered from the Turk. Though there is a distinct cleavage between Serb and Croat, and many minor divisions, the Southern Slavs in Austria-Hungary have long been united in a common antagonism to the political supremacy now enjoyed by the Germans and the Magyars. For, numerous as they are, they are powerless in the Monarchy to-day even to gain the redress of their grievances. In Austria they are outvoted by the Germans, in Hungary they are manœuvred out of political power by the Magyars, and in Bosnia-Herzegovina they are under an autocratic government. The problem of the treatment of the Southern Slavs has long endangered the stability of the Austro-Hungarian monarchy, because any improvement in their condition would destroy the complex system of checks and balances on which the dual monarchy is based. The success of Serbia and Montenegro will inspirit

## The Balkan Crisis

the Southern Slavs to demand more insistently than ever the political rights denied to them hitherto, while it will create across the frontier a strong external focus of Southern Slav aspiration, such as the struggling and discredited Servian kingdom never yet has been.

Thus Austria-Hungary is vitally affected by the issue of the Balkan war. For strategic reasons she cannot look with indifference on the territorial changes in the Balkans, which will create a larger, more powerful, and more ambitious Serbia on her flank, and which may mean the appearance of a Servian navy in the Adriatic. For political reasons she is even more profoundly affected by the Balkan settlement, for it may end the prospect of eventually bringing all her Southern Slav territory as a third autonomous kingdom within the Monarchy and it may precipitate a far-reaching revolution in her own system of government. In these circumstances no one can predict how far Austria-Hungary may not intervene to protect her interests, political, strategic and economic, before the crisis is at an end.

Similarly the fate of Constantinople is a matter which is not likely to be left solely to the Balkan allies. Russia is deeply concerned in its future and in the right of free passage through the Dardanelles.

Yet if Austria-Hungary or Russia intervenes all the great powers are involved; Italy because she is no less affected by the treatment of Albania than Austria-Hungary, France and England as Mediterranean powers, and Germany because she is the ally of both Austria-Hungary and Italy. Moreover, they will have to take a hand if only because they are parties to the treaty of Berlin (1878) which made the last settlement of Balkan affairs, and because the Concert of Europe, phantom though it may seem, is the only machinery available for bringing together the powers in amicable conference, where they can learn one another's views, and for compelling them to remember that they have not to think exclusively of their own affairs, but that collectively they have some responsibility for European peace.



## The Balkan Crisis

There is no reason for predicting a general conflagration. But it will be a triumph such as diplomats can seldom claim if the Balkan war does not issue in another silent struggle between the Triple Alliance and the Triple Entente, such as took place in 1908-9 over Bosnia-Herzegovina, and last year over Morocco, or in a very dangerous and irritating conference. Let us hope, at any rate, that the Near Eastern crisis will improve and not embitter the relations between England and Germany. These have been strained for many years, partly by the inevitable readjustment of the distribution of power in Europe, consequent on the German union in 1870 and its subsequent creation of a first-class navy, and partly because each nation has credited the other with ambitions and plans which it did not entertain. Following this article is one written by a German authority explaining the attitude of Germany towards Near Eastern affairs and incidentally that of Austria-Hungary also. It shows that Germany, like England, has no direct interest in the Balkan peninsula. It is clear, indeed, that the supreme concern of both must be the maintenance of peace. It is to be hoped that a steadfast and unreserved pursuit of this common aim may dispel some of the misunderstandings and suspicions which have estranged the two nations in the past.

Thus the results of the Balkan war on Europe and the balance of power are still uncertain. The results on the British Empire are not so uncertain. The Turks have been driven from Europe because they failed to provide for their European subjects a just government, and because they were unable to organize an efficient system of defence for their European domain. The diplomacy of Abdul Hamid proved unable to stave off disaster, and the regime of the Young Turks, hailed as the era of reform, has ended in catastrophe, dramatic and complete. The internal weaknesses and difficulties which brought about the collapse have been explained in THE ROUND TABLE article already mentioned. The root cause lay in the irreconcilable conflict of ideals between the Christian majority in European



## The Balkan Crisis

Turkey and their Mohammedan rulers. That cause is now removed, and the Turks freed by a ruthless surgery from a mortal disease, are thrown back upon Asia and on Islam. In that fact lies the significance of the war to ourselves.

We need not speculate on whether the lessons of their failure and the compacting of their domain will teach the Turks to cease their internal quarrels and to modernize their administration, or on whether it will revive or destroy the vitality of their faith. It is enough that we may be certain that the energy and attention which they have hitherto spent on their European possessions will be concentrated henceforth on their Asiatic domain. Turkey's foreign policy will concern itself no longer with the Balkan powers, but with Egypt and Persia. Turkish ambitions will be turned not North and West, but South and East, to Arabia, the Persian Gulf and the Southern Seas.

But this, serious though it may be for the Empire in the East, is not the most grave of the results of the Balkan war. For many years it has been a belief among Mohammedans that there is a conspiracy among the Christian powers to overturn the few remaining independent Mohammedan powers and seize their lands. They point to the annexation of Bosnia and Herzegovina in 1908, to the advance of Russia on Persia, to the conquest of Morocco by France, and to the unprovoked attack of Italy on Tripoli, as evidence for this view. And now they see the four Balkan states—themselves carved out of Turkey with the connivance of Europe—rise and hurl themselves to the very gates of Constantinople and the palace of the Sultan, while the powers stand aside once more. No protestations about the intentions of the Christian powers, no explanation of the real cause, the misrule of the Mohammedan rulers, avails against this damning array of facts. Yet Islam is not dead. It is a vigorous and militant religion. Indeed there is a prophecy of Mohammed himself that his followers, forgetful of his teaching, would at last be driven back to the original home

## The Balkan Crisis

of their faith, but that then, chastened in spirit, they would arise once more and conquer the world. Do not recent events point to the near approach of this day? Is not Islam ringed about by infidel powers, so that Turkey, Persia and Afghanistan alone are left—a compact group—the last protectors of the land where the prophet preached and died? We may not fear very deeply what these powers themselves may do. But there are 70,000,000 Mohammedans in India, and 10,000,000 in Egypt, among whom it is whispered daily that the British Government is a secret party to the conspiracy against their faith, and that the day of triumph, prophesied of old, is at hand.

The importance of these facts cannot be ignored. The defeat of the Turks, little as it may seem to concern us at first sight, will make the task of government in India and Egypt no easier, and will create difficulties of foreign policy in Arabia, in the Persian Gulf and on the Egyptian and Indian frontiers, such as we have not experienced before.

### 2. A GERMAN VIEW OF THE BALKAN CRISIS\*

#### I

WHEN the present war in the Balkans began, the German Government and the German people hoped that its result might be the continuation, or rather the consolidation, of the existing regime in Turkey. They did not differ much from the governments of other nations, all of whom realized, clearly enough, that any important change might create a situation dangerous to the peace of Europe. It was a natural position for Germany to take up, for she is a deeply

\*This article is written by a German authority and explains the interest of Germany in the Near Eastern crisis.

## The Balkan Crisis

interested spectator of Balkan affairs, without having any great interest of her own at stake.

Germany has a good many relations, most of them of a commercial nature, with the near East. Her imports from the members of the Balkan League came to three and a half million pounds sterling, her exports to them to more than three millions. Her trade with Roumania reached £5,400,000 and £4,600,000 in respect of imports and exports; her trade with Turkey £3,500,000 and £5,600,000. Moreover, she has large holdings in the public debts of all those countries, and is deeply interested in certain important development schemes, such as the Anatolian railways and the Bagdad railway. All these interests no doubt are considerable, but neither as moneylender nor as trader does Germany rank in the first line. Her commercial and financial interests will no doubt suffer whilst the war is going on, but it is not likely that they will suffer beyond the possibility of redemption. The business affairs of individuals may be damaged a great deal, but no really great national interest of Germany will be touched. Indeed, if it were not for her alliance with Austria-Hungary, the Balkan question would be of very secondary importance to her, for she has neither territorial aspirations nor political ambitions in the peninsula. Her position towards the problems of the Near East has always been simple and well defined, though the bickerings she has indulged in with France, England and Russia have occasionally obscured it. There has been a great deal of noise about the Bagdad railway. The *amour-propre* of the German *haute finance* may be greatly affected by the way in which that great international undertaking may ultimately evolve, but the fate of the German people is very little concerned.



# The Balkan Crisis

## II

TO begin with, Germany is the only great European power having no Mohammedan subjects to consider. France, and to a far greater degree, the United Kingdom must in their policy consider carefully the feelings of their Mohammedan subjects. Russia rules fourteen million Mohammedans; Austria-Hungary, since the incorporation of Bosnia, more than half a million (and that half a million are neighbours and cousins to the Turks and Servians); Italy has just transformed herself into the legitimate ruler of a Mohammedan dependency. Germany alone of all the great powers is free of such obligations, for the Mohammedan subjects she has in her African colonies are not yet important enough to demand consideration.

Then, again, Germany is not a Mediterranean power. To her the Mediterranean is practically a *mare clausum*; she has no outlet on it and she is not likely to get one, unless the present arrangement of European affairs is turned completely upside down. She has not even a land frontier with any of the states engaged at present in the Balkan war. However strong the desire of expansion may be in Germany, there is no wish for territorial expansion in the Near East. No province could be gained which would not be separated from Germany by some probably hostile countries, and no port could be won to which Germany would have really free access. Even that small class of people who want expansion at any price—it is probably a far less numerous and far less powerful class than is commonly supposed—who would not mind taking any lands they could lay hold on—knows too much about military affairs to covet a province inaccessible by land and approachable only by a sea, the command of which could not be in German hands. There have been dreams of a German colonization of Asia Minor, carefully nursed since the days of Friedrich List. These colonies were

## The Balkan Crisis

not to be German dependencies. They were to be settlements of Germans, retaining their German nationality and their affection for the motherland, but faithful subjects of an enlightened Padishah. They were to wrest his lands from the sloth and sterility which had fallen on them during centuries of bad government. They were to be the pioneers of German skill and German industry, increasing the output from the land and swelling the Sultan's revenue, as millions of Germans have done for Hungary or for Russia. These dreams were never realized and could not have been realized. But they have been waved as bogeys whenever foreign competitors wanted to oppose legitimate German enterprise, and dark hints were whispered of deep-laid plans of German territorial colonization whenever anyone wanted to oust a German tender. The greatest of all German schemes of development, the Anatolian railways and the Bagdad railway, has suffered greatly from these rumoured aspirations which their promoters did not share, but which they were often supposed to share not only by their enemies, but, worse luck, by noisy and not overwise supporters.

Apart from this aberration, as it might well be called, which has never had the support of German statesmen, though it has often involved them in difficulties, the attitude of Germany towards the Near Eastern question has been dictated by motives of hard and sober reason. Turkey could never be a field for German expansion, however wildly conceived, but she might be a valuable ally, if her historical enemy and neighbour, Russia, ever gave trouble. She was undoubtedly a military state, containing all the valuable human material necessary for war, but sadly deficient in that power of organization, which up to now has been the patrimony of the West, and which the East must needs borrow or imitate, if she wants to pit herself against Western aggression. Germany, with her gift of minute painstaking organization, became the great instructor of Turkey, continuing a tradition which Moltke himself initiated, when he entered the Sultan's service in



## The Balkan Crisis

1835. She provided Turkey with guns and with war material, thus gaining valuable experience in their handling as well as profitable customers for their sale. She went one step better, by constructing the Anatolian railways and by planning, and partly carrying out, the Bagdad railway, thus giving Turkey a system of communication reaching deep into the heart of her Asiatic dependencies, where her real strength lies, and bringing them into easy communication with the centre of government. Turkey in her present crisis may well be grateful to the men who conceived and executed that great railway scheme, which has greatly increased her civil and military strength, though it has occasionally got her into diplomatic difficulties when the battle of concessions was waxing warm. It was an undertaking creditable to German enterprise and German self-esteem, profitable to German banks and German railway contractors, and moderately profitable to German investors.

Thus German policy has been a purely practical policy, for which no great enthusiasm was needed. The position of Germany, which put territorial aggression upon Turkey almost out of the question, created in the Turk a feeling of peculiar confidence which their intercourse with all other nations necessarily lacked. The official classes in Germany felt a certain amount of sympathy for the honest conservative Turks, who were so splendidly amenable to imported German discipline. They objected far less to the despotism of Abdul Hamid than members of any parliamentary government would have done. They naturally did not approve of massacres like the Armenian massacres, but they preferred to protect the Christians of the Ottoman empire by friendly counsels offered to their master rather than by violent protestations. Non-official Germany—not being overmuch spoiled by courtesy from foreign nations—liked a country where the German name stood high, and where the most unassuming tourist was treated with almost royal honours at the Selamlık; where mosques, to which no other infidel had access, were opened to the



## The Balkan Crisis

German in a friendly way, and where—as the truthful dragoman informed him—the German was hailed almost as a brother by every well-informed true believer.

But though these feelings may have been sincere, and the policy engendering them valuable to the Turk, that policy was primarily meant to be useful to Germany, and perhaps it was not always quite as useful as was supposed. Though Germany, who had supported Abdul Hamid, found no unsurmountable difficulties in getting on with his successors, she could not ward off the blows dealt to Turkey by her friends and allies, first by Austria-Hungary through the incorporation of Bosnia, then by Italy through the invasion of Tripoli. Germany, it is true, rendered Turkey certain useful friendly services; during the war in Tripoli she even indulged in a very strong pro-Turkish attitude, and anti-Italian feeling was quite outspoken throughout Germany. But that was all, and that could be all. The German Government, as well as the German people, has always realized it. They liked to be the preceptors of the Turkish empire; they liked to send them their officers, their engineers, their guns and their teachers—overrating perhaps, as it seems now, Turkey's capacity for learning. But they were not, and they could not be, prepared to run great risks on Turkey's account. The continuation of a Turkish state, shorn, as it probably will be, of most of its European possessions, may be of great importance. But the fate of Turkey is not bound up with any issue vital to the German empire.

### III

GERMAN interests and sympathies are not greatly bound up with the other Balkan states. Roumania, with six million inhabitants, is a good field for German commercial enterprise; she is also a neighbour of Russia,

## The Balkan Crisis

and as her population is of non-Slav origin, she might be a useful ally in a complication with Russia. Bulgaria has always been looked upon as a thriving and energetic young state, with a future ahead of her. There was a time when she enjoyed great sentimental popularity in Germany, when her first ruler, Prince Alexander of Battenberg, after having reorganized the country and defeated the Servians, had to give way to Russian intrigues. A wave of enthusiasm swept over Germany when the hero of Slivinitza, who very nearly became the brother-in-law of the present German Emperor, returned home after his abdication. His successor, Tsar Ferdinand, has been very successful. But though his kingdom has greatly risen in the estimation of Germany, the methods by which he built up his power have gone far to destroy the goodwill which he might have inherited.

As to Greece, there is and there always has been a certain philhellenic feeling amongst a people deeply imbued with the ideals of a classical education. Germany has never grown tired of contributing her share to the restoration of the ancient Greece which was made possible by the excavations of Schliemann and Dörpfeld. But the general enthusiasm for Hellas is certainly weaker than it was in the days when German poets gloried in the struggle for Greek independence, and when one of the great German dynasties (the House of Wittelsbach) gave Greece her first king. Perhaps the German mind has grown harder and colder, but the records of the last Greek war against Turkey contributed strongly to that decrease in sympathy, as they showed plainly enough that the Greeks had changed greatly since Leonidas died at Thermopylæ. As to Servia and Montenegro, the attitude of Germany is more than cool. The German tourist who visits Budapest frequently ventures upon an excursion to Belgrade, where he is not greatly impressed. His wiser brother, who may have skirted the glorious fjords of Dalmatia, often approaches the wild glories of the kingdom of the Black Mountain by that grand and tortuous



## The Balkan Crisis

road which Austrian skill has hewn in the bare rock. When he has looked upon the wonderful bay of Cattaro and descended into the bare furrow which shelters the town of Cetinje, he has at least seen a sight he will never forget—though there may be a stagey vaingloriousness about the inhabitants which may offend him a little.

Whilst there is a strong sentimental feeling in England composed of political sympathy with oppressed nations and religious support to violated Christianity, no such thing exists in Germany. The groups and parties in whose politics religion plays a large part are mainly conservative. They believe in order and authority, and do not sympathize with upheavals; they have besides very little feeling of kinship with the oriental church, the beliefs of which the majority of the Balkan peoples profess. The democratic and radical masses are not greatly affected by the religious aspect of the question. Moreover, the greatest passion of the German people is their love of order, which they cherish more intensely perhaps than other peoples love liberty. They have a great contempt for the slovenly ways of the East, and do not rate highly the glittering Western veneer which often covers but thinly the Christian, but not less real, East. They plainly object to what they term "Balkanwirtschaft" (the way of the Balkan). They mostly base these opinions upon the quite numerous students from the Balkans who flock in masses to their universities and technical high schools. They overrate the Turk, whom they rarely meet, and they under-rate the Balkan Slavs, not mentally perhaps, but morally, and judge them in a very wholesale way. These opinions may be unjust and unsympathetic. But they are not very deeply rooted and are quite liable to correction by events. In fact, the present successes of Bulgaria and Servia have visibly affected the German standpoint.

The Balkans are far away, and it does not matter very much to Germany what their fate may be, provided there is room for economic development. Germany has been Turkophile up to now, not only because the maintenance



## The Balkan Crisis

of the *status quo* seemed likely to prevent European complications, and for the other reasons given above, but also through the silly, but rather respectable, feeling that lately the world has been rather hard on the unfortunate Turk. But she was Turkophile in a mild and temperate way, and will not be greatly excited if it turns out that she has backed the wrong horse. She might be angry with her diplomats and her military men for being badly informed; she may not like the fact that Turkey, armed with German guns and led by officers trained in the German school, has suffered defeats. But she rightly believes that Turks are not Germans, and that if they fail to shoot with a Mauser rifle, it merely proves that the Turk cannot hit the mark, not that the Mauser cannot kill the man.

### IV

THE real importance of the Balkan trouble for Germany depends on the way in which her friend and ally, Austria-Hungary, may be affected by it. It seems that a real success of the allies has now to be reckoned with, and that such a success will mean considerable territorial expansion. This territorial expansion might shape itself in such a way as to put an end to one of Austria-Hungary's cherished ambitions, the approach to the *Ægean* Sea through the occupation of Salonika. The present maritime outlets of the Austro-Hungarian empire are Trieste and to a smaller degree Fiume, situated at the north-eastern corner of the Adriatic. Austria-Hungary also owns the Eastern coast of the Adriatic down to the narrow strip of land which severs most of Montenegro from the sea. It is a beautifully indented shore, full of fjords, and studded with lovely islands; but it is flanked everywhere by the opposite Italian coast. As long as its continuation, the Albanian shore,

## The Balkan Crisis

belongs to Turkey the entrance to the Adriatic may theoretically be considered open, but if it ever falls into the hands of a European power, or a strong anti-Austro-Hungarian Balkan state, that entrance will be closed.

For very similar motives Italy could scarcely permit an Austro-Hungarian occupation of the Albanian coast. Yet so long as Austria-Hungary is confined to the north of the Adriatic her chief port is always liable to be sealed up in time of war by a comparatively simple blockade, for the mouth of the Adriatic is only about forty-one miles broad. One can scarcely blame Austria-Hungary if she looks for another outlet. Austria-Hungary might get a certain amount of security by becoming Turkey's heir in Albania. It would probably be a *damnosa hereditas*—even if Italy waived her claims. Albania is not a pleasant country to rule, and Albanian ports are not very likely to take the place of Trieste or Fiume. It may be doubted whether Salonika could provide it either. The chains of islands lying between Greece and Asia Minor might easily enable a powerful enemy to blockade it.

The ideas, however, which European nations cherish about their destinies are rarely based on an accurate knowledge of actual geographic facts. The things they have not, and which they are not likely to get, appeal very strongly to their imagination, even if they are of no value at all. Besides, Austria-Hungary is not a modern constitutional country. The paraphernalia of modern democratic government are alluringly spread to the eyes of the Western world; but the real power is wielded by a very small number of people in a scarcely constitutional way; and the people who wield that power are rarely influenced by conceptions of mere economic development. Their ideal is the ideal which has always been the ruling principle of the House of Austria, the increase of the territorial possessions of the Habsburgs, however kaleidoscopic, nay even mutually antagonistic, the elements which compose it may be. The risks which Austria-Hungary faced



## The Balkan Crisis

when she incorporated Bosnia and Herzegovina clearly show that that spirit is not yet dead.

When that incorporation took place, the so-called Sanjak of Novibazar, which has been occupied by the Austro-Hungarian troops since 1879, though its civil administration remained in Turkish hands, was evacuated. The Sanjak is a narrow strip of land between 30 and 40 miles broad and 50 to 60 miles long. Running from the Bosnian frontier it forms a wedge between Serbia and Montenegro. It is the only place where Austria-Hungary borders the Turkish Empire, and its occupation by Austro-Hungarian troops kept open the possibility of expansion to Salonika. It was given up, not because the idea of such an advance had to be renounced, but because the configuration of the country makes its occupation dangerous whenever frontier complications arise. The Sanjak of Novibazar has been lost by Turkey; it was overrun by the allies at the beginning of the war. When that event took place it seemed likely that they might have to leave it again on the conclusion of peace, and that the *status quo* might be restored. The way from Austria to Salonika would then have remained open and Austria-Hungary's statesmen would not have been compelled to choose between two alternative policies, namely, territorial advance, leading in the long run to Salonika, or economic preponderance, to be guaranteed by treaties and secured by the whole strength of a first-class European power. But it does not now seem likely that events will permit the return of that comfortable state of affairs. The victorious allies will probably not be inclined to give up their spoils, and the annexation of the Sanjak will form a bar closing Austria-Hungary's advance to Salonika, which is about 270 to 280 miles distant, as the crow flies. It would not follow that Austria-Hungary could not be paramount in Salonika. A great European power wielding her influence wisely and well may rule the destiny of her neighbours though they enjoy political independence. She may be more powerful and more influential than if she tried to bring them



## The Balkan Crisis

under her sway by making them her subjects and by thwarting their more or less legitimate national aspirations. She may save herself endless waste of blood and treasure and gain strength and affection, where, if she annexed, she might foment undying hatred. But she would have to prefer a policy of economic penetration to one of territorial expansion. There are many powerful voices in Austria-Hungary suggesting such a policy now that the parting of the ways seems to have come. But there is and there always has been a party which wanted more. The first policy could probably be achieved with very little international friction, the second one would have to be carried out by intimidation or by war against the victorious Balkan peoples. Austria-Hungary need not to be frightened of them from a military point of view, but she might have to reckon with Russia as well, and grave European complications might then ensue.

### V

**B**UT European complications would not be the full measure of Austrian difficulties, for Austria-Hungary is a land different from all countries in the world, inasmuch as she harbours the most varied conglomeration of races any modern empire has ever seen. This holds good of her Western half, Austria, as well as of her Eastern half, Hungary. Of the 26,000,000 inhabitants of Austria, counted in 1900, 9,000,000 were Germans, about 1,000,000 (Italians and Rumanians) were of Latin stock, while the remaining 16,000,000 were Slavs; 6,000,000 Western Slavs (Bohemians and Slovacs), nearly 8,000,000 Eastern Slavs (Poles and Ruthenians), and nearly 2,000,000 Southern Slavs (Slovenes and Croatians). Of the 19,000,000 inhabitants of Hungary, there were scarcely 9,000,000 Magyars and 2,000,000 Germans; there were 2,500,000 Eastern and Western Slavs

## The Balkan Crisis

(Slovacs and Ruthenians), 3,000,000 Rumanians and nearly 3,000,000 Southern Slavs. The dual monarchy is really a curiously assorted colonial empire, overwhelmingly inhabited by Slav populations of varied grades of civilization. In the Western half, till lately, the German element has served as a central element, giving stability to the motherland, but it seems no longer able to bear the strain; in the Eastern half the Magyars somewhat ruthlessly have assumed that position.

A glimpse at an ethnographical map shows a broad belt of Germans, Magyars and Rumanians, wedged in between the Northern Slavs of Bohemia, the Carpathian countries and Galicia and their Slav brethren in the South.

Starting approximately from the old Southern railway line leading from Vienna to Trieste in the west, up to Belgrade and beyond in the east, from the Drave and the Danube in the north, to the frontier of Servia and Montenegro in the south, there spreads an almost compact population of Southern Slavs, numbering very nearly (including Bosnia and Herzegovina) seven millions. Politically, they are not a united people. They belong partly to Austria, partly to Hungary (the autonomous kingdom of Croatia), and partly to Bosnia and Herzegovina. They are divided, religiously, into Roman Catholics and Oriental Greeks, not to speak of Mohammedans. They have fought each other in the past with that burning hatred kinship engenders, but racially they belong to the same stock as the Servians of Servia and Montenegro and the Servians of the Turkish empire. Probably a majority of the whole Servian race live under the sway of the Habsburg monarchy.

Austria-Hungary's policy has never lost sight of that fact. It has always looked upon Servia as being somewhat under the tutelage of Austria-Hungary. Austria-Hungary has protected her in days of dire stress against victorious Bulgaria, for example. She has ill treated her at other times, when she did not allow her to enter a customs union with Bulgaria,



## The Balkan Crisis

and tried to force her to her knees by a kind of tariff war. But she has always realized that the frontiers between the Servian race in Serbia and their brethren in Austria-Hungary might any day cease to count.

Austria-Hungary has never wanted a strong Serbia, not only because she would not be able to browbeat her in the way she was wont to do, and because Serbia might block the way to Salonika, but because she feared the attractions of a successful independent Servian state upon her own Servian subjects, some of whom, the inhabitants of Croatia, for example, are not too well pleased with their lot. There is, indeed, if murmurs are correct, a very influential group in Austria-Hungary which aims at the consolidation of the Southern Slav population by the creation of a Southern Slav kingdom which might share with Austria proper and with Hungary the management of the affairs of the monarchy. The Dual Monarchy would then be transformed into a Triple Monarchy, the third element of which might, in the long run, swallow up her weaker brethren in Serbia and in other neighbouring countries. The success of the Balkan allies has greatly affected the chances of that scheme. A Serbia ruled by a tottering dynasty, economically starved, financially bankrupt, and threatened by more powerful neighbours, might easily have been browbeaten, and perhaps compelled to enter into a union on conditions laid down by her stronger neighbour. It is different with a victorious Serbia whose success kindles the imagination of her brethren in Austria-Hungary. It will be difficult to rouse the Austrian Southern Slavs for a policy of warlike expansion directed against their own kith and kin, who have just now shown a valour nobody credited them with. And it is not likely that the Germans in Austria and the Magyars in Hungary will favour such a policy, which—if successful—would end in a big homogeneous Southern Slav kingdom of at least 10,000,000 inhabitants; for Austria-Hungary would then necessarily develop into a preponderatingly Slav monarchy. And while Hungary and the present



## The Balkan Crisis

Austria would continue to show that mixture of races which makes any constructive policy a Herculean task, the third partner, though far less advanced in social organization, would nevertheless be strong and homogeneous in race. The desire for national unity amongst the Austrian Southern Slavs, which might have facilitated the annexation of a weak and unsuccessful Serbia, is at present the strongest obstacle to it and to any demand for the cession of her hardly-won spoils, for it would mean a cruel and brutal humiliation of their own race at a moment of unheard of and unexpected success. Thus neither the supporters of the scheme for the creation of a Triple Monarchy nor its enemies are likely now to advocate the use of force against Serbia, the opponents, because they must wish for its frustration, the supporters, because they must fear lest the prospect of ultimate success may be destroyed by resort to violence now. They would prefer to see it accomplished by a series of treaties or a sort of federation, the hazy outlines of which begin to loom upon the horizon.

Very great changes might come about in the map of Europe if that scheme was ever realized, for in an Austro-Hungarian empire, dominated by not yet very far advanced Slav races and closely allied to the Balkan states, the position of the Germans and of the Magyars might be very trying indeed. Some very far-reaching defections might follow, though in Austria-Hungary personal loyalty to the dynasty has been, up to now, a far stronger tie than racial affinity or political conformity. Austro-Hungarian statecraft, indeed, is likely to rely on the strength of this tie to a degree almost incredible in Western Europe, and dynastic instincts may prove stronger than sound political reasoning.

A few days probably will show what Austria-Hungary really wants. She may ask for the open road to Salonika, and try to cheat Serbia of the fruit of her labours, or she may be satisfied with moral, economic and financial preponderance in the Western Balkans. She may want Albania, which Italy covets, or she may waive her claims to that difficult

## The Balkan Crisis

country, provided no other powerful state obtains it. But she is not "disinterested" in these questions, and she cannot be so. Just now the position taken up by her statesmen seems to be rather conservative. She does not raise any territorial claims of her own; she seems willing to let Servia expand over districts inhabited by Servian people, but she does not like Servia any better than she ever did. Servia is an inland country and desires a port on the Adriatic. She wants, what Montenegro has got, a sea-board, though it is only twenty-eight miles in length. Austria-Hungary does not like that small strip of land that bars her southern expansion along the Adriatic coast. She has no intention whatsoever of seeing that obstacle increased by the Servians getting a hold there as well. Luckily for Austria-Hungary, the Adriatic seaports of San Giovanni di Medua, Durazzo and others are in Albania, the wildest country of all Europe, the population of which—mostly Mohammedans—do not wish to be ruled by the Servians. As it is more than likely that direct Turkish rule will have to cease in a province no longer in communication with Constantinople, as will probably be the case after the rearrangement of the Balkans, a compromise will have to be effected between Austro-Hungarian desires and Servian ambitions. The outcome may be the creation of an autonomous Albania, based on Albanian national aspirations. It may enjoy a kind of Austro-Italian protection, each partner watching the other with watchful jealousy, and it may cut off Servia from the coast. Much will also depend on how far Austro-Hungarian interests clash with those of Russia, the other great power most closely interested in the affairs of the Near East. But even more may depend on the attitude of the three powers who can afford to be "disinterested" in the Balkan settlement, Germany, France and England. They will have to back the demands of their friends and allies, but it is to be hoped that they will do so only to a reasonable degree. Their alliances were formed for the maintenance of peace, not for offensive purposes. And a policy driving their allies and themselves towards the vortex of a European war,

## The Balkan Crisis

which these alliances were chiefly meant to prevent, would be nothing less than suicidal. It would be, as far as Germany is concerned, a war without any real object in view, for Germany has no more interests worth fighting for in the Near East to-day than she had thirty-four years ago, when the Balkan question was settled in Berlin—except only her alliance—an alliance which she formed as a guarantee for peace and not as a cause for war.



## INDIA: OLD WAYS AND NEW.

NO one who writes of India at the present time can avoid the reflection that conditions are changing under men's eyes with a rapidity unknown to previous generations. In politics, as in dynamics, forces are completely determined only when we know their point of application, their measure and their direction. We know, indeed, that novel and increasing forces are at work in the political and social world of India: from time to time we see the points at which they make themselves felt; but of their magnitude we know little, and of their aims less still. Yet no one who loves India or cares for her welfare can be unconcerned with the new problems which these impulses awake. The time is quickly approaching when no longer can the English in India be content to do their work empirically; to go on trusting for guidance to their own sense of right and justice and expediency, avoiding a philosophy or a creed whenever they can, and, when they cannot, professing one only of the vaguest, and not troubling seriously about any apparent divorce between their principles and their practice. For we have been challenged to recognize, and we have recognized, that in our management of India the people of India must henceforward take an increasing share. It is time that we defined our ideas; that we knew more clearly what it is that India wants, and how far and by what stages we are going to assist her to get it.

Ten years ago, few people would have asked such questions seriously. India in 1902 had a strong autocratic government, serene in its conviction that it knew her needs

## India : Old Ways and New

better than she knew them herself, and determined and able to have its way. This Government never attempted nor desired to ignore the wishes of the people, but it construed them in the light of its own experience, it chose its own sources of information and it was far from accepting all that were offered it as authentic. Rightly or wrongly, it believed that the real interests of India were those of the humbler millions, for whom none of the clamant critics of Government felt any great concern. In a hundred ways it laboured sedulously to improve the condition of the masses—by revising the revenue system, by defending the cultivator from the usurer, by extending education and sanitation, by developing canals and railways, by readjustments of taxation, by checking the rapacity of subordinate officials—and in the process it perhaps laid itself open to the reproach of too studiously ignoring the voice of the educated classes. It had justification for its belief that the Indian lawyer and journalist cared chiefly for themselves and their kind; but it probably under-estimated the assistance which it might have derived from a more conciliatory attitude towards such critics in matters on which they had the right and were competent to speak. Certainly the characteristic feature of Lord Curzon's administration was its self-sufficiency, to use a term which once carried no connotation of reproach. It did what seemed right in its own eyes, and for a time triumphantly. It over-rode obstacles, and smote abuses. It raised the whole standard of government; it gave it a new ideal. "Efficiency" was the proud watchword of the Viceroy. A later generation has twisted this word into violent and invidious contrast with its own shibboleth of "sympathy"; but Lord Curzon himself would have indignantly denied that his conception of an efficient government excluded a sympathetic attitude to the real evils and needs of the people. Only he claimed that, when patient and liberal inquiry had discerned them, the experience and statesmanship of the race should be applied to their redress. If "efficiency" can be misrepresented as the pedantic efforts of



## India : Old Ways and New

“sun-baked bureaucrats,” “sympathy” is in equal danger of standing in some men’s eyes for an unctuous readiness to take the line of least resistance. Lord Curzon had his brilliant day, and his sun set in storm. But it is unjust to lay at his door the agitations and disorders of the last seven years. He did nothing to avert them; there is little doubt that his dislike of native politicians helped to precipitate them, but the ferment was stirring in any case, and forces were at work beyond the power even of a masterful and able Viceroy to loose or bind. The truth is that his eyes were set upon a different goal. He was impatient of anything that promised to impede him in the task he loved. But he worked as no other Governor-General has done for the happiness and welfare of India in the mass. He did more in seven years to promote their material and moral prosperity than his predecessors in thrice the time. He deserves the gratitude of India, and some day, when his work emerges from the mist of controversy, he will come into his own.

It is certain, however, that India will never see another Lord Curzon. In the seven years that have passed since he sailed from Bombay a great change has come. Autocracy is giving way to novel methods, still on their trial and yet certain to be extended. From the Viceroy downwards each officer of Government has changed his point of view. The constant question that he asks himself no longer is—“How far must I stop short of the ideal which I see, because of the limitations of these people?” but rather—“How much can I concede of what these people ask for without betraying my trust and doing them positive mischief?”

The person to whom the change comes home most strongly is the district officer. It is worth while dwelling for a moment on his position, as he is the pivotal point of Indian administration. To say so implies no slur upon the doctor, the engineer, the police officer or the teacher, and no disparagement of the fine work they do. But the district officer is in a measure typical of all these. He shares the responsibilities of them all; he stands behind them all as the local repre-



## India : Old Ways and New

sentative of government; and in addition he is the person responsible for maintaining the good relations with the people which are the necessary material of all efficient rule. The old conception of the district officer was that of an omniscient and omnipotent father of his people. He managed his two thousand square miles of earth and his million human beings with but little interference from head-quarters; his word was law, or if there lay behind it the prescriptions of remote impersonal authorities, these hardly added weight to his own personal wishes. There are many who think that this is the only system suited to India. But the stars in their courses are fighting against its endurance. The material progress of the country on western lines, the development of expert agencies and departments, increased access to Europe, and the inevitable extension of the rule of uniformity and written law are all causes tending in one way or another continuously to impair the position of the local officer and to centralize control at headquarters. India has grown familiar with the complaint that officials were kept writing reports, seeking sanction to and explaining or justifying their proceedings, when they should have been moving about among the people in town or country seeing and settling things for themselves. It is a real mischief, and within the past few years two attempts have been made—once by Lord Curzon's Government, and once by the Decentralization Commission—to find a remedy. But the former attempt attacked symptoms rather than actual causes; and the Commission found themselves unable to do more than deal with isolated details. The fact is that events are marching. Only a backward, illiterate, helpless India can be ruled in the old autocratic, personal way; and every material, intellectual and moral advance which justifies our rule is also a reason for changing its character. We have to go far afield nowadays to find working examples of the old ideal. On the frontiers west and east there are still young civilian and military officers who rule by personal authority in a way that recalls the memory of Nicholson. The canal officer in

## India : Old Ways and New

desert tracks, the forest officer among wild jungle tribes, are sometimes still kings among their people. Their authority is not confined to the matters of their profession. They are The Government; all difficulties are brought to them; all disputes are settled by them; and they are loved, revered and trusted in a way that no outsider knows. So, too, it often happens with an English missionary or planter who has won the confidence of the people among whom he has lived for a generation. In such cases it is the moral and intellectual ascendancy of the man that carries weight. This was the old basis of our rule in India. The pessimist thinks that there is no other, and that in suffering its destruction we are entering on a slow process of administrative suicide.

Until quite recently we may say that the local officer's foes have chiefly been those of his own kindred. He has had to struggle against over-government by his own service. His difficulty has hitherto been how to reconcile the demands made upon him by the increasing complexity of administration and tighter superior control with the liberty of action and personal responsibility which he must preserve if he is to satisfy the needs of his district. In some cases he has failed. Men have lost a sense of responsibility and have preferred to write reports and to carry out orders, and so to avoid the strain of acting as a buffer; and in consequence the administration here and there has grown formal, stereotyped and lifeless. But in general this has not happened. The district officer has shown adroitness and patience in accommodating the conflicting aims. He has known well how to stand between the departments and the people; often straining his personal influence to carry out some disliked reform, because it is part of the Government programme, and more often still exhausting himself in representations to get a cast-iron project of taxation, sanitation, education, or electoral machinery mitigated or modified to meet the apprehensions or shortcomings of a generally heterogeneous, and always timorous and conservative population. Nor has he generally failed to preserve much of his own authority.



## India : Old Ways and New

It is still true, over a great part of India, that in three quarters of the things that matter to the people the local officer has a wide discretion. In adjusting the collection of taxation to agricultural conditions, in keeping the peace, in settling disputes, in repressing the exactions of landlords and their stewards and of the horde of official subordinates, the head of a district has an immense sphere of authority; and of even more importance to his position is his way of doing these things. A man who takes trouble to understand, to be accessible and courteous in manner, and to exert himself whenever he can for the visible good of the people has still great forces fighting for him. If he has to be the agent of an unpopular change he can generally smooth its operation so that destiny and not he is blamed. A man's position will vary with a hundred varying factors; the material prosperity of the district, the character of its people, their degree of literacy or commercialism, their distance from some centre of industrialism or politics, the forcefulness of the local government, but most of all perhaps with his own character. But—to waive all the reservations which ought to attend general statements about so vast and varied a country—it is still happily true that the district officer has great authority in India; and that the changes which have gradually come about in the administrative system, though they may have increased his burdens, have not greatly impaired his position.

Of far more moment are the new changes which we may call political. In various ways the wishes of the advanced section of Indian opinion are being brought to bear upon the acts of Government. It is these agencies and their effects that we have now to examine. And in dealing with them we may set aside the methods of violence. Not that they are unimportant. They have cost us valuable lives: they will probably cost us others. For there will always be hot-bloods and fanatics in the land, and there will be always malevolent cowards to employ them as the instruments of crime. But political murder is not a method that commends itself



## India : Old Ways and New

to the national conscience of India; nor, we may hope, is it the least likely to move an English Government to weak surrender. It is true also that a few years ago a military rising in part of the country seemed not unthinkable. The danger, happily averted, may conceivably recur. But what is inconceivable is that we should not spend our last penny and our last man before abandoning India to the lusts of a section of the native army. Of any general movement which might combine the people in mass against our rule there is yet no shadow of a trace. No wise man would wish to dogmatize lightly about an unknown so vast; but the soberest judges see no reason to think that coming changes will be fiery and catastrophic: rather will they resemble the slow crawling of the glacier.

Government being the art of management on the largest scale, it seems axiomatic that self-government in minor affairs should precede self-government in greater. Lord Ripon's institution of town councils and district boards was designed as an introduction of the Indian public to the task of administration. Both town and country boards are, in the main, elective; their members are chosen by electors enrolled either on a property or educational qualification or for good repute; they discuss all questions of concern to their town or county; they vote resolutions, and a majority decides. To all appearance the foundation stone of self-government has been well and truly laid. But, in fact, the best friends of the system must acknowledge that after many years of patient trial it still affords an uncertain basis for the future political structure of the country. District boards exist chiefly on resources beyond their control, because there is no such community of interest or opinion among a scattered agricultural people as would lead them, left to themselves, to endure the common sacrifice of self-taxation. They are still artificial creations. The district officer is chairman, he arranges the budget, and the board is little more than a consultative body, useful chiefly for purposes of information, and valued

## India : Old Ways and New

by its members, and by them alone, for the opportunities it gives of intercourse with the authorities. Its mainspring is official, and its estimation is that of a minor honorific distinction. Town councils vary from a type approximate to this hot-house vegetation to something nearer independent life. They have succeeded better because they have a larger voice in raising their income; their benefits are more concentrated, and the individual's share is larger; and they at all events can command the services of the educated and intelligent part of the population. But usually they have shown themselves quite unable, without official chairmanship, to administer their towns cleanly and properly. They shrink from raising taxation, they intrigue as to its expenditure, and, with few exceptions, they have no sense of the sanctity of a public trust. Where the system was tried most liberally, as in Calcutta, it failed most signally. Where the municipal system has succeeded has been where official guidance was strengthened by the assistance of capable Indian professional or business men. But there is hardly any evidence that the Indian politician regards the boards as the natural training ground for a larger arena. Believing intensely in theories, he is singularly impatient of dull facts. Ordinarily he disdains to serve his noviciate, and wishes to plunge, untrained, into the full task of government. The idea of laying the foundations of India's political structure in local institutions has been a failure.

Until quite recently criticism of government has centred in the Indian National Congress, a self-elected body which meets once a year and makes speeches and passes resolutions, often in the same set terms year after year, attacking the government policy. India's future historians may treat with respect this first amateur attempt to create an indigenous organ of politics. But looking only to actual facts, one is constrained to say that it has not been a success. Hampered from the first by its lack of a mandate, the Congress has suffered also from dissensions as to leadership



## India : Old Ways and New

and methods, and from the aloofness of the Moham-medans; but it has been even more discredited by the ignorance it has shown of practical politics, and the empty wordiness of its harangues. There has been little reasoned criticism, and the debates have not affected its prearranged and stereotyped resolutions. Hitherto it has not had, nor has deserved to have, much effect in influencing the actions of Government.

But it seems likely that activities hitherto manifested in the Congress will now be mainly diverted to the legislative councils, the character of which has been entirely altered by the changes made by Lord Morley. In the past, a minority of Indian members had attended the Council meetings with small hope of even influencing a division. Convinced by the unrest which marked the beginning of Lord Minto's rule, that the moment had come for giving the Indian representatives a larger voice, Lord Morley greatly increased the number of Indian elected members, and gave them power of asking questions, discussing financial policy, and moving resolutions on all matters except a few specially reserved affairs. In the provincial councils he even disdained to keep an official majority, so that the non-official members, if united, can now actually defeat the Government over a provincial legislative measure, or carry through Council a Bill to which Government is opposed. It is easy to conceive that such a position might give rise to serious trouble. Imagine for a moment a Bill for the relief of indebted cultivators thrown out by a majority composed of landlords, money lenders and lawyers. There would be no redress except in the use of the official majority in the Viceroy's Legislative Council to pass overriding legislation. Similarly, an undesirable Bill could be checked only by the President's or the Viceroy's veto. Such extreme remedies are open to objection; but Lord Morley preferred boldly to run the risk of going too far rather than to incur the reproach of unreal benefactions. Perhaps he relied partly on the restricted scope of provincial legis-



## India : Old Ways and New

lative authority; partly on the instinctive lack of combination among the Indian members. But his plan admits of the good defence that sense of responsibility can only come with power; and that if an official measure is good or a non-official measure bad, there will be at least a few non-officials fair-minded and independent enough to say so. Whatever apprehensions were felt as to the councils scheme, or whatever criticisms may be directed against the particular elective methods adopted, it is fair to admit that the time was ripe for advance, that the changes were generously devised, and that they have been received in a good spirit, and promise not badly. For this the credit is largely due to the excellent example set in the Viceroy's Legislative Council by the protagonist of the official party and the leader of the non-official critics. Nothing could be happier than the readiness with which the Financial Secretary set himself to welcome criticism, and the good temper and courtesy he showed in replying to it; and it is equally of good augury that Mr Gokhale's attacks were by no means those of an irresponsible and ill-informed opponent, but of an able and acute enquirer who had taken pains to inform himself accurately of the problems and difficulties of government. On either side the champions were head and shoulders above the rank and file; but just as the example of the one was an inspiration to officials naturally unready in debate and impatient of criticism, so it may be hoped that non-official members will shape themselves upon Mr Gokhale's excellent model. So far the reformed councils can point to no great achievement. Interpellations are still verbose and inordinately numerous. Resolutions are the plaything of the eccentric member, though it is conceivable that in the future they may be a powerful weapon of attack. But budget discussions have been more illuminating and useful than in the past. And private members' Bills dealing with particular points of Indian personal law—as, for example, the law relating to marriage, or the law of Mohammedan money-trusts—will certainly

## India : Old Ways and New

be important, not merely for their educative value, but as serious contributions to the Statute Book. Mr Gokhale's Bill providing tentatively for free education was important as the first constructive attempt of a non-official member to direct public policy into an entirely new route. It failed, because the Government were able, without difficulty, to show that it was practically unworkable. But it is only the forerunner of many other legislative proposals of a far-reaching character. Already a Bill to stop the dedication of girls in Hindu temples has been put forward by a private member. Undoubtedly the increased number of Indian members will arm the councils with new power to deal with such difficult and delicate questions; and we may be quite sure that both by resolutions and by legislation the Indian members of the council will succeed more and more in directly influencing the course of policy.

Another change made simultaneously by Lord Morley, from which momentous consequences might perhaps be expected, was the appointment of an Indian member to the Viceroy's Executive Council, which is the Cabinet of India. But there are reasons why the change is likely to be of relatively small effect. The Law Department, to which the appointment has been made, is not primarily an executive department moulding the policy of Government. Its chief concern is to shape the rough-hewn ends which the other departments send it into legal elegance and precision. It cautions and modifies, but it seldom, or never, initiates. True, the Indian member is one of the Indian cabinet which settles all questions of high policy, and as such might be expected to make his voice heard to effect. But the diffidence with which any Hindu member must speak for the Mohammedans or *vice versa*, the necessary lack of administrative experience compared with his colleagues, and the lethargy so easily induced by incorporate responsibility, must make it exceedingly difficult for any but the most capable and energetic character to impress himself forcibly on the course of policy. At all events no such exceptional men have



## India : Old Ways and New

yet emerged for the position, nor is their forthcoming to be easily discerned.

Second only in importance to the councils as a means of influencing Government is a new phenomenon in Indian politics, which, for want of a better name, we may call the caucus. It was invented by the Mohammedans, who distrusted the National Congress, but it has quickly been imitated by a section of the Hindus. The former have formed various associations extending over all India—the All-India Moslem League, the Mohammedan Educational Conference, the Mohammedan University Committee—ostensibly with varying purposes. But their method and objects are similar, and they are under similar guidance. Their purpose is to arouse the Mohammedans of all India, regardless of geographical diffusion, to unite in a common demand to be presented direct to the Viceroy or to the Secretary of State as the voice of a united people with an insistence difficult to withstand. They have appealed successfully to the religious bond of union, and to the widespread Mohammedan apprehension lest they should be out-distanced by the Hindus in the race for power. There was thus a force behind them of which the Congress was innocent. Moreover, by concentrating on definite proposals, capable of translation at once into fact, they avoided the errors of diffusion and nebulosity into which the Congress fell. Already they have won two victories, which will only stimulate them to greater efforts in the future—one in extracting from Lord Minto the concession of electing their members to the councils on a separate and privileged basis, the other in gaining the promise of a sectarian university at Aligarh. In both cases impartial observers may well doubt whether Olympus was not really taken by storm. There was no such patient inquiry and consultation and tracing-out of consequences as would, under the old regime, certainly have preceded such momentous changes. The Government of India forgot, or ignored, the fact that these matters profoundly affected the pro-



## India : Old Ways and New

vincial administrations. Convinced apparently that they had to deal with a political force of the first magnitude, they dealt with it at first-hand, and almost off-hand, in the only way possible under such conditions; that is to say, they acceded gracefully to the demand, and left the difficulties to disclose themselves at leisure later on. For our present purpose there is no need to discuss the merits of either change. But it is important to note that a new political machinery, operated with immense horse-power, has been created and applied successfully. It is impossible to suppose that other attempts will not be made to use it. Already the Hindu request for a university at Benares has been conceded. But the appearance of a new organisation claiming to treat directly with the central government on matters of concern to every province in India which no one single provincial government is competent to handle is a portent of which it is difficult to overrate the significance. It is possible that the voice of educated India, carefully organized in separate denominational committees, may be a greater political force in the near future than even the councils; and that Indian political ambition may prefer membership of the Aligarh University Committee to a seat upon the Lieutenant Governor's or even the Viceroy's legislative body. But, on the other hand, the effect of the caucus, however powerful, must be intermittent. There are comparatively few subjects on which the opinion of Mohammedan or Hindu India could be presented, with any plausibility, as united; and the caucus, controlled as it is by a self-constituted body, relies for its effectiveness chiefly on the possibility of representing its objects in the light of a great national cause, of vital moment to the welfare of inarticulate millions.

Two other agencies deserve mention as a means of influencing Government action. Of the native newspapers brief notice will suffice. The defect of the Indian Press is not merely its virulence. The author of "Indian Unrest." has

## India : Old Ways and New

indeed had no difficulty in collecting a number of passages from extremist journals, venomous and dangerous to a degree that the most liberal or insouciant of governments could hardly tolerate. These no doubt had a great effect in stimulating the passions of ignorant and immature minds to acts of violence. But these outbursts are no longer frequent, and at no time were they fairly typical of the ordinary Indian newspaper. The more reputable journals do not deliberately appeal to passion, or advocate violent resistance. They accept law and order as good things and they acquiesce in the Raj as the defective instrument temporarily ordained for these ends by inscrutable Providence. But in season or out, with reason or without it, they pour forth a tireless flood of grudging and complaint. They excel in attacks of a personal character; they are adepts at misrepresenting facts and insinuating motives. They glorify every Indian achievement, whether serious or silly, and they have no good thing to say of anything English. They have less sense of responsibility than even the halfpenny London paper; for there is no public opinion to criticise them or even to expect them to be consistent. The only effective restraints upon them are the fear of inviting suppression or of committing contempt of court. They are often run on behalf of a particular individual or interest; they are generally parochial in view; their editors usually lack knowledge of Indian public affairs and are totally ignorant of English and foreign politics. They have done little to educate their own people even in matters beyond the sphere of Government control, and so far their only useful function has been the ventilation of local grievances, and they have shown themselves quite incapable of combination on a great scale either to inform the public mind or to press a common policy upon the Government. There are great potentialities in the Indian Press; but its day will come only when education has spread widely, and public opinion is alert enough to respond intelligently to better journalistic teaching, and to



## India : Old Ways and New

exercise a sobering effect on its extravagances and vagaries. The Indian newspaper to-day is hardly in ordinary times an effective political force.

The last remaining weapon in the hands of the opponents of government is a curious one. Its employment is characteristic of the astute and devious Bengali, and that it has been tolerated so long is equally typical of the patience of a much-abused administration. Owing to reasons of history there has always existed in Calcutta a marked lack of sympathy between the High Court and the Executive. The Court has been recruited partly from English lawyers, who have come to India much in the spirit of Impey and Hyde, prepared to find that they were the only bulwarks between an oppressed people and a brutal autocracy. "I trust, Brother Hyde, we shall not have been here long," said Impey as they landed at Prinsep's Ghat, "before all these poor creatures are warmly hosed and shod." The Indian pleaders also appointed to the Court have tended to show a similar temper. It is notorious that on any doubtful issue the executive government can expect small sympathy from the Calcutta High Court. The judges have been always disposed to assert the reign of law, to disparage the judicial knowledge of any but trained lawyers, to combat the proceedings of the Executive at every point, and to extend a kind of co-ordinate authority over the administration. Moreover, in Bengal, partly because of the excesses of officialism a century and a half ago, partly because of the permanent settlement, the discretion of executive officers has always been curtailed by code and regulation in a manner elsewhere unknown. Add to such conditions the native love of litigation and the aptitude of the Bengali pleader for ingenious disputation, and you have a position of unparalleled difficulty. The Calcutta High Court, without sharing responsibility with the Executive, shares with it the real control of the country. Every executive act, however apparently lacking in a judicial character, is liable to be questioned by a rule issued from the High Court, and its unfortunate



## India : Old Ways and New

author may be called upon to justify it at length before a leisured and unsympathetic tribunal before going further. How hampering such a liability is in moments when unembarrassed action is required can be easily imagined. If Bengal officials have been occasionally betrayed into acts of indiscretion or ill-temper, they are entitled to be judged with the utmost consideration, for they work under disabilities without their like elsewhere. And of these difficulties the opponents of Government have taken gross advantage. During the recent troubles in Bengal the hand of the Executive has been stayed at every stage by appeals to the Court. When disaffection is abroad, and youths are drilling, and arms being procured and bombs manufactured, only ready inquiries and decisive action can keep the peace. Searches and arrests are with perfect propriety restricted by provisions of the Criminal Code; but even the Code leaves much to the common-sense and good intentions of a magistrate, and assumes that he is an intelligent and honourable man. During the recent proceedings, when every step taken by the Executive was at once called in question, it is not unfair to say that a biassed and ultra-legal view was taken of police and magisterial acts. It would be a weary business to recite the history of the leading cases. The culmination of forensic ingenuity and judicial perversity was reached in the famous Midnapur case,\* when a barrister judge of the High Court awarded damages against a district magistrate for having arrested a man on what was afterwards held to be false evidence, and betrayed in his judgment such a lack of appreciation of the native character and of the difficulties of the responsible authority in Bengal that the finding, if unchallenged, would have been of the greatest possible embarrassment to the Government and all its officers. Happily an appellate bench, comprising a barrister, a civilian, and an Indian pleader judge have taken a saner view. They found that the district magistrate had acted within the law and

\* *Vide* THE ROUND TABLE for Dec. 1911, p. 183.

## India : Old Ways and New

with due discretion in difficult circumstances; and they swept aside almost with contumely the findings and comments of Mr Justice Fletcher on almost every feature of the case. British administration which was seriously on its trial has been abundantly vindicated. The £20,000 bill of costs in the Midnapur case is a measure of the value set by its opponents on a judicial victory over the Government. It is to be hoped that the supreme discouragement of the result in this case may deter them from further attempts of the kind; even if the just indignation aroused by the disclosure of the High Court's methods does not, as seems possible, lead to beneficial reforms in the judicial administration of Bengal. It is bad enough that the supreme tribunal should lend itself to all the abuses of an overgrown and over-complicated legal system; but it is even worse that the ill-wishers of the Government should be alive to any lack of sympathy between the judiciary and the administration, and be encouraged to invoke the human weaknesses of the one for the purpose of embarrassing the other.

This survey of the weapons in the armoury of the nationalist politician leads to the conclusion that only the development of the legislative councils promises any sure line of advance. The other methods are uncertain, if not sterile. It is moreover to the councils that the Indian leaders themselves are looking. Before we examine, however, the possible development of the councils, let us see exactly what are the nationalists' aims and the stages by which they hope to attain them.

The usual programme of the critic of Government runs somewhat as follows: the holding of simultaneous examinations in India and England for admission to the governing service of the country; the raising of the status of the provincial or secondary service, the highest appointments ordinarily open to Indians appointed in India; the equalization of the pay of Europeans and Indians when holding similar appointments, in so far as it is still unequal; the creation of executive councils (or government by committee) in pro-



## India : Old Ways and New

vinces where they do not exist; a great reduction of military expenditure; the lightening of the land revenue assessments which are attacked as responsible for famine; a tariff to protect Indian manufactures; increased facilities for education; enlarged expenditure on sanitation and hospitals; and generally the diversion of funds from the austerer to the humaner purposes of administration. Now most of these demands could conceivably be conceded without any great change in the system of government. It is true that the Customs question raises the issue of the Imperial connexion: but the most advanced of Indian nationalists has probably at heart no wish at present to advocate separation from the Empire. And so with the proposals affecting income and expenditure. The expert custodians of India may be quite wrong and their amateur critics may be quite right as to the income required to keep the country safe and to provide for expanding schemes of reform, and as to the best means of raising and applying it. Yet even if this were demonstrated, though the credit of the present administration would indeed be shaken, its powers would be unimpaired. But the demand that Indians shall progressively replace Englishmen in posts of power (and this is what is meant by the particular proposals now preferred, for some of which there is, to speak frankly, something to be said) is directed towards a vital change in the character of the government of India. Authority is to pass more and more into native hands, and the Englishman is to be slowly but steadily eliminated.

To inquirers who pressed the inconvenient question: What is the outcome of such a process to be? it was the habit of the Indian nationalist at all events till recently to answer: "Colonial self-government." This formula had the great merit of being very little understood in India. It sounded a fair, modest and reasonable ideal, and its vagueness satisfied everybody; for leaders who were divided by discrepancies of race, religion and interest might have had serious difficulty in agreeing on anything precise. But even India has come in recent years to learn something of what



## India : Old Ways and New

colonial self-government means. Elsewhere in the world it implies capacity to keep internal order, if not also to contribute to the safety, and to aspire to share the control, of a greater whole. Elsewhere it implies the existence not merely of a government "broad based upon the people's will," but of a people sufficiently educated and organized to choose their rulers. The Indian leaders may well have recoiled from professing any intention of realizing these conditions in India. No one can conceive of peace in India without the 70,000 British troops to keep it; and even more unthinkable is the notion of the illiterate multitudes of India, whom no one but the officials of an "alien bureaucracy" has ever endeavoured to "represent"—that gigantic matter of inimical races, tribes, castes and religions—gathered to ballot boxes to record their votes. The natural leaders of the people are still the great feudatory chiefs. They have shown no liking for a movement that strikes at personal rule; and if the hour ever came when they felt their tenure menaced, their methods would in all likelihood be too mediæval for the politicians. No one has ever yet endeavoured to explain how representative government in India is going to keep order, or maintain its authority, or secure itself from being overthrown.

It is, at all events, noteworthy that "colonial self-government" as the watchword of Indian nationalism shows signs of being displaced by a new invention. In the despatch of Lord Hardinge's Government proposing the move of the capital to Delhi there occurred a purple passage, but slightly pertinent to the argument, which stated that the just demands of Indians for a larger share in the government of the country would be satisfied by giving the provinces a larger measure of self-government, "until at last India would consist of a number of administrations autonomous in all provincial affairs." "Provincial autonomy" has been caught up as the new watchword. Apparently the construction placed upon it by the nationalists is that the provincial governments are to pass wholly into Indian hands,

## India : Old Ways and New

while their powers are simultaneously to be enlarged until they run the country. The functions of the Government of India will simply be to maintain the Imperial connexion and the security of the country; while the new indigenous administrations will be left to make what they like of it. Mr Gokhale has declared himself frankly as to the steps by which this serene consummation is to be attained. The first steps will be to agitate for the replacement of the surviving nominated members of provincial councils by elected members. Then the official minority is to be steadily and ruthlessly outvoted, regardless of either policy or principle. Sooner or later a disgusted executive may be expected to throw up the sponge and let the councils have their way. "Then," says Mr Gokhale, "we shall not be far from provincial autonomy."

Gratitude for the candour of this statement, need not, however, deter us from analysing it a little. There are difficulties in the way which obtrude themselves on reflection. India is by nature one country, a fact which seriously impedes the proposal to break it up into a congeries of republics. There are many matters of common interest which must be uniformly administered. It is not merely a question of external defence or internal order. Tariffs, shipping, emigration, railways, posts and telegraphs, criminal law, adjective law, commercial law, the law of marriage, succession and inheritance and many other concerns must be left in the hands of the supreme authority. Moreover, imperial services (to use the inept adjective which usage in India applies to the concerns of the whole country) demand imperial taxation which trenches further on provincial discretion. We know as matter of fact that the Decentralization Commission sought in vain to devolve many new functions upon local governments. The Government of India seems in no immediate peril of being relegated to the position of the policeman round the corner. Nor is it evident that the outposts will be driven in by the attack on the councils so readily as seems to be supposed. Mere



## India : Old Ways and New

resolutions in council have absolutely no binding force: the Executive could withstand a good deal of outvoting in legislative matters, and there is always the Imperial Council in the background. From the threatened prospect of calculated obstruction, to the accompaniment of discursive Oriental oratory, any British Executive might well shrink. But after all the tactics of the Irish nationalists succeeded only in a House where the Cabinet depended for existence on the vote of the majority. And one is inclined to apprehend a serious weakening of British morale if such abuse by the councils of their newly conceded privileges is ever rewarded by a spiritless surrender of control. The reformed councils are upon their trial, and have yet to justify themselves. A wise Government will make sure that the lower courses of the masonry are firm and set before it dreams of adding another story.

Even if we imagine, however, that the programme is carried out, it is difficult to discern any stable outcome. In the long run we are led to the same difficulties as those of the colonial self-government ideal. If the councils seize the reins, they may retain English officials as the mere agents of the administration or they may get rid of them. But how long will Englishmen with the traditions of English rule in India be content to serve a policy which they have no hand in making; and without the English official how is authority to be maintained? The scheme indeed assigns the peace of India comfortably to the central Government; but how long will the British people allow either a British Government or British regiments to be retained in India against emergencies for which they are not responsible, and how long will India endure in peace and order without them? We are thrown back upon these enigmas of the Sphinx: and no *Œdipus* is forthcoming.

Meanwhile it is something gained that the Secretary of State has been induced to define the intentions of His Majesty's Ministers. He is reported by the *Pioneer* as follows:



## India : Old Ways and New

They wished first to devolve on the provincial governments as many functions of government as could be safely entrusted to them; secondly, to employ as many Indians in the public service as could reasonably be employed; and thirdly, to arrange for the supremacy of British rule in India as the best method of securing the happiness of the people of India. Lord Crewe put aside as impossible any notion that at any time the Indian Empire could succeed on the lines of Australia or New Zealand, with no British officials, no British troops, and no ties of creed or blood to take the place of material bonds. To him it was a world as imaginary as that of Atlantis. The British supremacy, alike in civil and military affairs, was in his eyes an absolute necessity in the immediate future and for all time of which account need be taken. He saw no other useful goal in sight. And he said it would be best if ambitious dreams of seeing an Indian Prime Minister of an Indian Parliament, or of an Indian Commander-in-Chief of an Indian Army, were definitely abandoned.

Evidently this authoritative interpretation of the Delhi despatch is directly at variance with the nationalists' expectations. Lord Crewe's first object is simply to extend the powers of the provincial governments, and without indulging in any fantastic vision of autonomous provinces, we need not suppose that this idea is no more than a pious intention. An important step was taken recently when stable revenues were placed at the disposal of local governments. The withdrawal from Calcutta, again, will mean a great access of strength to the Bengal Government. The new Governor-in-Council will probably in future enjoy the consideration of the mercantile community, which in old days had a way of attaching itself invidiously to the Supreme Government. If larger powers are given to the Bengal Government, they cannot be denied to Bombay, even if tradition and prestige do not make it likely that they will be given also to Madras. But there is no visible prospect of the creation of any other full-powered governorships. No doubt the ever-growing pressure of business will inspire the central Government to get rid of such burdens as it can; but the process will be rigidly conditioned by circumstances to which we have referred. The essential unity of the country in many important aspects, and the need for

## India : Old Ways and New

preserving equality of standards will always retard devolution in India. We have spoken also of the growing tendency of the races and religions to combine throughout India in a collective appeal to the Viceroy in Council, and this too must be taken into account as a powerful centripetal force. And if, either from devolution at home or any other reason, the House of Commons, or (to speak of what our eyes have seen lately) His Majesty's Secretary of State, develops an increased interest in the details of Indian administration, so much the more difficult it will become for the central power to let go the reins. In sober truth, the language of the Delhi despatch was exuberant and unguarded, and even Lord Crewe's attenuation of it seems unlikely to be very strikingly fulfilled. We seem to be nearer to Mr Winston Churchill's heptarchy than to Mr Gokhale's.

It is, of course, in reconciling the second and the third of Lord Crewe's objects that the real difficulty of the whole Indian problem lies. The increased admission of Indians to the service, which *is* the Government, means no other thing than the decreased admission of Englishmen to it. How is this compatible with the maintenance *in perpetuum* of British supremacy? Lord Crewe spoke guardedly of the immediate or the perceptible future; and rightly so. But if no one supposes that in five years England will have ceased to be administering India, can we feel equal confidence as to the outcome, fifty or a hundred years hence? Is there any imaginable position of stable equilibrium under the action of the two varying forces, which we may look to, not indeed as the sure and inevitably final goal, but with sufficient confidence to give us a creed and to steady our steps upon a strange, new road?

The public service of India is also the government of India. To realize this we must drop all preconceptions of a parliamentary legislature controlling a ministerial executive, distinct from and directing the whole public service of the country. In India, service and executive are one and indivisible; and it would be truer to say that they control



## India : Old Ways and New

the legislature than vice versa. To the highest grades of the service the Indian is as yet admitted only by competing with Englishmen at the Civil Service examination in London. Below those grades he has generous opportunity, and no changes which may be found desirable in the secondary service have any bearing on our present question. But the government of the country, the heads of the great departments, the secretaries, the heads of provinces, the executive councils are practically drawn from the same privileged, superior service. The legislative councils in which, under Lord Morley's scheme, non-official Indians bulk so largely, and in which are centred the nationalists' hopes, are still something of an excrescence upon the system of administration. They legislate, and legislation is an important function of government. But the whole course of legislation in India could be arrested without necessarily bringing the machine to a standstill. The councils do not control supplies, and they do not make and unmake governments. They can debate, ask questions and move resolutions which may be entitled to respect, but are not binding on the Executive. They are a legislature but not a parliament. Mr Gokhale would make them a parliament. Lord Morley has declared that he could not contemplate parliamentary government in India, and now Lord Crewe has said the same thing. These declarations are not very favourable to Mr Gokhale's vision.

But there may be another and a better road. The process of nationalizing the administration may proceed in more ways than one. You may indeed enlarge the powers of the legislative councils until they become the government; but you may also take Indians freely into the public service, until a due proportion find their way into the executive; or you may combine the administrative with the constitutional change. Now if we are right in believing that good government is the outcome of experience, whether in the individual or the race, it is easier to believe that the change will proceed by the second and slower process than by



## India : Old Ways and New

Mr Gokhale's peripeteia. It is unthinkable that anything resembling the Indian Civil service could be retained simply to carry out the edicts of an amateur, popular assembly. True, we may expect that members of the councils will do much to equip themselves for the exercise of power. We may expect the best of them to make a special study of details of the administration—finance, railways, public works and the like. And they may tour their "constituencies," seeing things with their own eyes. It may be a disagreeable process for the district officer to find the politician attempting to set up a condominium with him; reopening matters that have been already inquired into and decided; and very possibly adopting a self-important and adverse manner. But, if so, he will have to learn to endure it. At the same time the day is far ahead when the English officer, possessed of knowledge and power, need fear, however he may chafe at, the intrusions of the untrained and suspect politician. Neither in council nor in the districts can the average Indian politician hope to hold his own until he has undergone a remarkable transformation. It will not suffice for him to be studious or pragmatist. He will not become a power till he commands the confidence of the people. And it is difficult to see how he can do so otherwise than by hard practical experience. Government in the East is very much the business of giving personal orders: and it is the man who can settle a dispute, or meet a difficulty, or devise a material improvement, to whom the people will turn. The councils may play their part. They may do much to inform: they will certainly make it necessary to lubricate official procedure with an oil of patience and suavity. And in proportion as their criticism grows gradually accurate and liberal and well informed they will undoubtedly mould the policy of the executive. None the less between this and assuming the real business of government, there is still a great gulf fixed; and we may well conclude that it is in and through the services that the real advance must be made. This is a noble opportunity for the Indian members of the

## India : Old Ways and New

Civil Service if they only knew it. They have done well, under a heavy handicap, to prove themselves the equal of the Englishman in educational tests: but they will deserve far better of their country if they can show themselves his equal in the art of government and his superior in knowledge. There is no fear that worth will be overlooked: the trouble is that it is too rare. Far oftener than the Englishman, the young Indian competition wallah lacks the other necessary qualities for his career; often he comes of poor stock, and is bodily unfitted for a robust and exacting life; often success has turned his head or over-study has enfeebled his physique or intellect; oftener still perhaps a narrow upbringing and caste prejudice have made it hard for him to take a broad, detached view. The best Indian public servants have been selected in India, and have qualified in a hard school in the provincial service. We are touching on problems with which the forthcoming Royal Commission on the Public Service will grapple. It is intensely to be hoped that they will find some way of encouraging Indian merit, in a way acceptable to Indian ambitions, without flooding the service with effete or conceited weaklings. Personality counts for so much, that even this democratic age ought to require some preliminary personal qualifications of the Indians whom it asks to help to govern India.

There is no reason why more Indians should not be given place in the service, if any system of nourishment or training can be devised which will give us India's really best. We do not get it at present, or on the rare occasions when we do, we often fail to find it out betimes. Our methods of selecting Indians for the higher service are unsuitable, and the training given them is grotesquely wrong. But it still does not seem an impossible ideal to select in India the best material in the country, to supervise and train it, with a single eye to the public interest, and to recruit it regularly side by side with the British element in the service up to an allotted quota. There will be failures under such a scheme,



## India : Old Ways and New

but less than there are now; and if, even with some perceptible sacrifice of efficiency, the Indian officers do well, and are liked and trusted by their own people and can even handle European subordinates efficiently (and these are the supreme tests), they should be given an equal opportunity of rising to the very top. Responsibility is the greatest former of character, and there seems nothing Utopian in the vision of a composite service. The Indians are learning to approximate themselves to the Englishman in capacity for command, and the Englishman welcoming the approved merit of his Indian fellow-worker. Caste prejudices and social usage are difficulties that time will abate. If such a development came about, Indian public servants would find their way into the inner circle of the Government just as English officials do now. We need not imagine that the councils will wrest authority from the executive; but rather that councils and executive, composed of similar elements, will work in harmony together.

On such a favourable forecast stability might well be attained. If training and experience have been brought successfully to bear on the right material, there would be no reason to fear that Indian officials and non-officials could make common cause against the Englishman. The question of race would not, and that of interest need not, separate the two elements in the service. Nor could reasonable Indians complain with justice of a generosity which offered them a half share in the higher ranks of the government of the country, and gave them the whole of the lower ranks. Such a combination would be well adjusted to the position of the great Dependency, governed in all internal matters with liberal regard to her own wishes, and held securely against external aggression by the might of a world-wide empire. But it is no use pretending that we are very close to any such consummation. The task of making capable, upright, strong Indian public servants is still immense. If consideration for Indian claims is going to blind us to the need for strait



## India : Old Ways and New

selection, and for hard probation and apprenticeship in the lower ranks before promotion to the higher, then, indeed, we shall do India a cruel kindness. We cannot remain responsible for the country, and suffer to see justice habitually sold, or disorder spread, or disease stalk through the land unchecked. If Indian judges receive visits from litigants at nightfall, or if Indian magistrates shut themselves in their houses when cholera is raging, or if Indian policemen refuse to go out to surround a band of armed dacoits, we must either deal faithfully with the country, even though we shall be called reactionary, or we must throw up our charge.

There is no more important and difficult duty before the Indian administration at the present moment than gradually and steadily to introduce a well-tested element of Indian material into the structure of the Government. Not merely to satisfy Indian ambitions—that is a secondary aim—but as the directest step towards the ultimate solutions of the political problem of the country. There seems no question of purely Indian importance which a composite service, being also a composite government of selected and trained Indians and Englishmen, could not in time come to view with the same experienced and impartial eyes; and if there arise, as occasionally there will, problems having an Imperial or international aspect, when the interests of India and England are diverse, we may hope that their solution may safely be left in the hands of the new Imperial authority towards the creation of which events throughout the British world seem to be marching. For if India is well advanced, as we have been imagining her, on the way to controlling her own internal affairs, there will be a strong moral case at least for giving her a voice also in the organ of ultimate Imperial control.

If success attends the new developments, it will be in no small measure due to the English service in India. They will get no thanks. Two men out of three at home privately believe that the English official in India is an exceedingly

## India : Old Ways and New

unpleasant fellow. Constant contact with inferiors, and the lack of the control of public opinion, they argue, must have made him overbearing and selfish, even if it has not positively debased his morals. Did not Clive forge a signature, and Warren Hastings martyr the Rohillas? They regard the talk about nobility and disinterestedness of aim as a conventional concession to Britannic complacency. None the less it is true that if the first hope of India's *risorgimento* lies with the Indians themselves, the second is committed to the hands, not of the House of Commons or the Secretary of State or the Viceroy, but to those of the English service on the spot. They could not defeat a living movement, for, as Mr Gokhale truly says, the unseen forces are stronger than the wills of men; but they could thwart and obstruct, irritate and delay. If the common judgment of them were just, this is what they would certainly do. For it is no easy thing that will be asked of them. They are asked, for a greater end, to surrender in part the work of their lives to less competent hands; to stand aside even, and "endure awhile and see injustice done"; to pause, to argue and explain and coax, when they have been accustomed to command; and to abide patiently interminable discussions when mischiefs are crying out for remedy. And they will do it, grumblingly often, but loyally always. English officials worked out Lord Morley's proposals and carried them further than even he was prepared to go. English officials have put them in practice, and have done so with a good temper and adaptability and a promise of success that was perhaps a surprise even to themselves. Their new task is certainly more delicate, and probably more difficult, than any that has gone before; but they accept it whole-heartedly, they are doing their best to understand it, and they mean to bring it to a good event. England need not fear that her servants will fail her in India; if she would only believe it, they change their climate, but not their character, East of Suez.

# AUSTRALIAN BANKING AND CURRENCY

## I. THE EVOLUTION OF THE AUSTRALIAN BANKING SYSTEM

A SURVEY of Australian banking and its comparison with banking systems of other parts of the Empire furnish striking examples of differences in principle and detail, as great as the differences in the constitution of the States themselves.

If we take the Canadian system, which is modelled on that of the Scotch branch banks, perfect in organization, supervised by a Government, which seeks their bankers' counsel and advice on banking legislation, and controlled by able economists who combine with their theory the experience of practical banking, and put it side by side with our Australian system, one wonders how economic principles can equally apply to two such divergent systems.

Canadian banking is controlled—or rather has its lines laid down for it—by its Dominion Banking Act, a measure that is called up for revision decennially and revised after conference between the banks and the Government. This Act prescribes the extent to which bank notes may be used; upon what security a bank may, or may not, lend; what rate of interest may be recovered; what returns must be furnished; but, apart from certain broad principles or restrictions, does not limit or hamper the general business of a banker. Banks are free to do practically anything that the Act



## Australian Banking and Currency

does not expressly prohibit. The Dominion reserves the right to supervise and look on, but not to take a hand in the game. Each country has its system, and each is proud of its own. The truth in Canadian banking is heresy in Australia, and vice versa. It is curious to note that in two countries much in the same stage of development, systems can be so radically different, and yet each of them in its own sphere be equally convenient and satisfactory.

Australian banking commenced on April 8, 1817, in Sydney, when the Bank of New South Wales opened for business. In the Botany Bay Settlement, from 1788 to that date, the settlement conducted its affairs without banking facilities. Barter in commodities settled accounts, and the medium of exchange and measure of value were meal and rum. The abuses of such a system finally brought about a meeting of merchants, and the result was the founding of the present Bank of New South Wales. Others speedily followed, notably the Commercial Banking Company and the Bank of Australasia. Now there are twenty banks throughout the states, excluding New Zealand. Of these twenty banks many have branches throughout the six states and New Zealand. They are, for the most part, branch banks, similar in constitution to the Canadian and Scotch banks, and in aggregate there are nearly 2,000 branches throughout the Commonwealth. The largest bank has 330 branches, including 54 in the Dominion of New Zealand. The complaint of Sir Edmund Walker that in Canada the opening of branches has been overdone applies equally in Australia.

The Commonwealth has power to legislate with respect to banking, but to date has not produced any Act for the regulation of banks or banking. Banks carry on business on wide charters, and are either registered under the States Companies Act, or are incorporated by special Acts or antiquated banking Acts of the states. These Acts deal principally with the furnishing of returns to the Government. The Act dealing with banking in Western Australia is dated July 10, 1837.

All were banks of issue until July, 1911, when the Federal

## Evolution of the Australian Banking System

Government, in order to get its own notes into circulation, made all bank issues liable to a tax of 10 per cent per annum, thus abolishing the issues and substituting their own.

The method adopted [says Sir Edmund Walker] seems to be a direct imitation of the action of the U.S. Government at the time of the war in killing note issues by the state banks by a similar tax, in order to make way for notes issued under the national banking system.

Australian banking is largely land banking, since the bulk of the lending done is against land. Trade bills for discount are small in amount when compared with direct loans against landed properties. For three months in the year, say from October to January, the shipping of wool and grain to London is an important feature. This is usually done by purchase either of drafts under credits established by British or Continental bankers for purchase in Australia of these commodities—chiefly wool—by the agents of buyers abroad, or documentary drafts against consignments of wool or grain to London or to the Continent. Probably more than £20,000,000 are employed in this business, usually at 60 days' sight drafts, and the funds supplied in Australia in the purchase are used in London, when collected, for cover for drawings on London or exchange business. Loans against land are made on demand overdraft limits, the bank having the right to call up at any moment, and the customer to pay off on the same terms. Securities are taken either by mortgage, or lien and deposit of deeds, according to the laws of the various States. This feature of Australian banking is one directly opposed to the Canadian system. There banks are expressly prohibited from lending against land, except as collateral cover or when a customer fails in his obligation to repay and the bank has taken cover over realty as a second line of defence. Should land, under these conditions, fall into their hands, they must quit it within a certain number of years. Land, they say, is not liquid, and banking must be confined to mobile things involving no risk of a lock up of



## Australian Banking and Currency

funds. The Canadian system deals more with commodities—wheat, fish, or the products of the forest or chase, and with articles of manufacture of all kinds. Their banks lend on these, or rather on the general position of those engaged in trade of these commodities, and are protected by law and secured by the commodities by a simple and recognized system of lien. As Sir Edmund Walker puts it, “Our policy is to lend by established credits only the money necessary to produce and carry the merchandise to market.”

But each system survives by reason of its use and wont. Canadian bankers will point to lending on realty as the main danger to Australian banking and probable cause of the 1893 crisis. Australian bankers point out that that crisis was due to Government overborrowing creating a false prosperity, to the inflation of land values, and to banks, during a period of commercial lunacy, engaging too largely in trade—lending to commercial houses in large sums—and being unable to collect in a time of financial stress. Both have some truth in their statements. Australian banks did engage in trade, but not on Canadian lines. In many cases they became virtual partners in trading houses; their money was not used to shift or turn over products of the earth in due season, but as part capital for trading houses and fixed accordingly. Large accounts and unimproved lands further played a big part in precipitating the crisis. It is safe to say that 1893 will never be repeated from the same causes.

Under the Australian system loans against lands are made against interest-earning properties, capable of being diverted to loan or trust companies, and are reviewed annually. The position of the borrower is investigated by scrutiny of his balance-sheet, which is compared with that of preceding years to ascertain if he is progressing. Regular reductions are usually stipulated for, and care taken to see, where no reduction is made, that his position has legitimately improved.

Deposits are made either on current account or fixed deposit account. In the first case the money is at call and no interest is allowed. Fixed deposits are taken for six months



## Evolution of the Australian Banking System

and upwards to two years at specified rates from 2 to 4 per cent. Of the total deposits of the banks together, probably nearly one half is at call on current account.

For keeping the current account a charge is made in every case, whether debtor or creditor, ranging from 10s. per annum in the East to 21s. in the West. Probably the Australian banks were the first to institute this charge.

The banking figures for the past seven years furnish some idea of the rapid expansion and development throughout the States and the creation of wealth due to fine seasons, increased knowledge in method of tilling the soil, high prices for wool and wheat, and the rapid settlement of farming lands.

The subjoined table shows total deposits and advances of the banks throughout the six States :

	<i>Deposits.</i>	<i>Advances.</i>
Quarter ending June, 1905	£96,094,283	£85,766,259
"      "      "      1906	104,480,008	87,889,121
"      "      "      1907	110,657,115	94,990,435
"      "      "      1908	111,647,104	101,667,001
"      "      "      1909	115,738,174	98,574,830
"      "      "      1910	127,880,986	101,393,927
"      "      "      1911	141,377,329	113,141,238

State banking is, so far, confined to savings banks, with branches throughout each State, and varying systems of *crédit foncier*. Each State's system is separate and distinct, both in savings banks and *crédit foncier*. The savings banks allow interest on monthly balances of 3 per cent per annum, and are widely used, having together nearly 1,400,000 depositors, with deposits aggregating roughly £50,000,000. These funds are used by the various State Governments in investments in their own bonds, loans to private borrowers or State enterprises, and in financing agricultural banks of varying organization and scope.

A novel and distinct type of agricultural bank is that con-

## Australian Banking and Currency

ducted by the West Australian Government, which has to date proved a useful aid to land settlement and development. It is managed by expert farmers, a managing trustee, and two co-trustees, constituting the board of management. A selector taking up land—usually at 10s. per acre, payable 6d. per acre per annum without interest—is allowed to borrow up to £750 against his holding for the following purposes only:

1. Ring barking and clearing timber, fencing, draining or water conservation.
2. Paying off existing debts.
3. Purchasing stock for breeding purposes.
4. Purchasing agricultural machinery if manufactured in the State.

Up to £400 may be loaned against the full value of improvements such as specified in paragraph 1, and

Up to an additional £250 against half of any additional improvements proposed to be made of the same nature.

£100 in addition may be loaned for purchase of stock and(or) machinery.

For the purpose of paying off existing debts, an amount may be lent equal to three-fourths of the value of improvements already made on the land.

To secure these sums a mortgage is taken over the land and a bill of sale over the stock. Interest at the rate of 5 per cent per annum is charged, and repayment is spread over 30 years. For the first five years interest only is paid, but during the balance of the term equal half-yearly payments of principal and interest have to be made.

This system, in an old settled country, would appear unsafe, there being little or no margin of security on the advance. In a new country being rapidly developed the system, with skilled management and as an aid to agriculture, may be successfully conducted. When the bank commenced operations eighteen years ago, the Crown lands had little or



## Evolution of the Australian Banking System

no value. The area to be alienated was large and the population small, less than 200,000 people occupying nearly 1,000,000 square miles. The increase in population and rapid settlement of the agricultural areas gave lands a value which has steadily increased. This uplift in values gave the bank a margin of safety, and the fact that public banks then turned their attention to lending on newly alienated areas increased their stability. Agricultural bank borrowers, having borrowed up to their limit with the State bank, and finding it insufficient, applied to the public banks to take them over and increase their accommodation. Further, in many cases borrowers preferred, or found it more convenient, to deal with a public bank rather than the State institution.

The capital of the agricultural bank authorized at date is £2,000,000; loans outstanding aggregate roughly £1,000,000; 4 per cent is paid to the savings bank for the money employed from that bank; and, according to the published balance-sheets, a small profit, upwards of £6,000, is made annually. It is probable that there are some troublesome accounts and doubtful dependencies on the books, but serious losses as yet have not been disclosed and repayments by borrowers are made, as a whole, regularly.

While these notes are being written an amending Bill is going through Parliament, and will become law in a few weeks, which leaves the making of loans entirely in the hands of the trustees. They will use their discretion as to the amounts to lend in any case subject to some limit to be settled by the Governor in Council, for what purposes the money is to be used, and, generally, will deal with applications for loans in the same manner as public banks.

This business now forms a large portion of the public banking business in the State. Following the banks in this business came loan companies. When a farmer's property comes within a measurable distance of freehold, and his debt shows signs of permanence, he goes to the loan companies for a fixed loan at a lower rate of interest.

This class of business carried on by banks throughout



## Australian Banking and Currency

Australia has been the means of developing State resources to an enormous extent. While it appears to be risky business for the employment of banking resources, it has proved successful and safe, and banks have evolved a system of pioneer banking to meet the business.

The conditions specified by the bank, which must be conformed to by the borrower, are:

1. He must be an experienced farmer.
2. He must own a sufficient area of good land in an assured rainfall belt.
3. The area must have been held five years or more, and improvements and conditions complied with to such an extent that on payment of the balance of purchase money a freehold title could be obtained from the Crown.
4. The land must, if used for agriculture, be within twelve miles of a railway siding.

Inspection of the property is made by branch managers on submission of the advance to the head office, and periodically thereafter to see that improvements are being maintained and continued. The advances are reviewed annually and the values reconsidered along with the borrowers' financial positions.

## II. AUSTRALIAN NOTE ISSUES

**B**ANK note issues were, as stated, killed by the Federal Government, by the imposition of a tax of 10 per cent on the amount of notes in circulation. The first step of the new Labour Government in regard to currency was the launching of the Australian Notes Act, and from July last bank issues ceased. On October 25 last Australian notes to the value of £9,718,084 had been issued. Of this amount

## Australian Note Issues

probably not less than £7,000,000 were in the tills of the banks. Australian notes are issuable in denominations of ten shillings, one pound, five pounds, ten pounds, or any multiple of ten pounds. They are legal tender throughout the Commonwealth and payable in gold coin at the Commonwealth Treasury at the seat of Government only.

The proceeds of these notes are held:

- (a) In gold coin for purpose of reserve.
- (b) Invested in Government securities or bank deposit.

Of the issue up to £7,000,000, the Treasurer must hold one fourth in gold, and pound for pound for any amount beyond seven millions.

Australian note issues may be redeemed by the issue of Treasury bills.

Ten shilling notes have not yet been issued. The unused forms of the various banks have been taken over by the Government and issued as Australian notes, bearing across them the Treasury superscription, pending the issue of the Government form of note.

Of the amount of £9,718,084 received from the issue to date, £4,191,101 is held in gold, the bulk of the balance has been invested in loans to the various States at  $3\frac{1}{4}$  per cent for 15 years, and a little over £1,000,000 placed on deposit at the various banks, bearing interest at 3 per cent per annum.

When compared with the Canadian Act, it falls far short, for that system is secured almost wholly in gold, although, of course, in that country the note issues of the banks far exceed those of the Dominion Government. Under the Dominion Act:

Notes may be issued and outstanding at any time to any amount, and such notes shall be a legal tender in every part of Canada, but the Minister of Finance must always hold as security for the redemption of Dominion notes up to and including thirty million dollars an amount equal to 25 per cent of such amount in gold or 15 per cent in gold and 10 per cent in Canadian securities guaranteed by the United Kingdom. As security for the redemption of Dominion

## Australian Banking and Currency

notes issued in excess of thirty million dollars the Minister shall hold an amount in gold equal to such excess.

The only portion of the Canadian issue not covered by gold is that made up by the "change" notes, i.e. notes of four dollars and under, totalling roughly £3,750,000, which would never be presented for redemption in gold, by reason of their small value and wide distribution.

Of the Australian issues on a £10,000,000 basis, £5,500,000 would be secured only by the credit of the Commonwealth, and we now have the declaration of the Federal Ministry that as the results show the gold reserve to be too large, steps will be taken to reduce it. In fact an amending Bill has just been passed to come into operation on July 1, 1912, reducing the gold reserve to 25 per cent of the total issue.

Is the issue of Australian notes to date abnormal? Currency requirements are difficult to gauge. Bank issues of notes fluctuated from £3,500,000 to £4,500,000, the total to be withdrawn at June 30, 1911, was £3,718,462.

Varying estimates of gold coin in private hands have been made. An endeavour by the Perth Mint, in 1906, with the aid of the banks, to ascertain the amount in circulation, i.e. in shopkeepers' tills and people's pockets, estimated that there were sovereigns £2,500,000 and half sovereigns £500,000. Accepting these figures, which appear absurdly low, and assuming that Australian notes are going to displace our gold circulation, the estimated amount of Australian notes needful for currency may be:

Bank issues killed by 10 per cent tax . . .	£3,718,462
Gold coin if driven out of circulation . . .	3,000,000
Queensland State notes abolished . . .	755,635
	<hr/>
	£7,474,097

Canadian currency can be estimated with reasonable accuracy, since notes form the medium, gold being used only for reserve. Canadian banking returns for August 31



## Australian Note Issues

and September 30, 1911, show that there were, in Canada, in circulation to the public:

Bank notes, approximately £18,000,000.

Dominion notes, approximately £6,000,000.

Canada's currency would be naturally much greater than Australia's.

The 1906 estimate of the Mint of gold in circulation of £3,000,000 is probably underestimated by one-half at least. The total Australian currency, estimated at £7,474,097, while it provides for the total of the Perth Mint estimate gold, does not make allowance for the till money that banks must keep and which, in the form of Australian notes, will be easier to handle and dispatch to branches than gold. The banks have fixed this amount at about £7,000,000, but as gold is still the circulating medium, this amount appears too high. In arriving at the notes of banks outstanding, shown at £3,718,462, notes in the banks' tills unissued to the public are not considered, since only notes actually in circulation pay the state tax of 2 per cent per annum. With the Australian notes, however, the position is different. The banks, in order to keep their tills supplied, will need to purchase and keep on hand large quantities of the Government notes. These, added to the notes in the hands of the public, will greatly exceed in total the normal amount of bank notes at any time hitherto constituting the actual circulation of bank notes.

We have, then, two estimated totals of the currency, the one when bank notes were in circulation, of roughly £10,500,000, excluding silver, and the other since bank issues ceased, allowing for suggested underestimate of gold in the Mint report and extra amount for notes for till money, of say £15,500,000, made up as under:

Total, as per preceding statement . . . .	£7,500,000
Add underestimate of gold coin in circulation	3,000,000
Add amount of Australian notes for banks' tills	5,000,000

---

£15,500,000

## Australian Banking and Currency

With gold still in circulation, we have an issue to date of Australian notes of nearly £10,000,000, and as yet Australian notes are not very popular. The banks hold and issue them, but from the volume that reaches the banks' tills their period of circulation appears short. Australians, unlike Canadians, have always known gold as currency and notes have never been popular except in the country districts where they are much more convenient and portable than coin. We have seen that of the £9,718,084 issued to date probably £7,000,000 are held by the banks, and have yet to be handed on to the public. The experience for years with bank issues was the steady disinclination to use paper in preference to gold, and there seems no reason why this tendency should be altered with the introduction of Australian notes.

From present indications, then, it would appear that the total issue has been abnormal, that banks—and not the public—hold the bulk of the notes, and that it will take time to educate the public from usage of gold to the use of the notes, with no certainty that they will accept them. Time alone will settle the question, and the Federal Government, following the experience of other countries, will probably be put to some pains to get their note system adopted as the normal and unquestioned currency of Australia.

As regards “till” money, banks will continue to issue gold as well as notes. They will do what the public do. If the public demand gold, they will supply it. If they keep passing on notes to the banks, and holding on to gold, the banks will follow suit.

It is not assumed that Gresham's law, in its third form, will apply to Australian notes, unless the Government force the issues.

If an inconvertible paper currency be issued in excess, that is to say, to such an extent that the total amount of the currency becomes greater than the normal amount required by the country, it will tend to drive the precious metals from circulation.

Briefly, Australian notes, being based principally on credit, do not form an ideal currency, and the place of re-



## Australian Note Issues

demption being situated only at the seat of Government renders them partially inconvertible. Sykes, in *Banking and Currency*, 1908, page 57, says:

The amount of credit which may be created on a given basis of gold is not a fixed quantity. But neither is it an unlimited quantity, and one of the greatest of dangers to modern commerce lies in the possibility of erecting too heavy a superstructure of credit upon the metallic base, a proceeding usually ending in temporary disaster. The amount of this superstructure varies according to trade conditions, the state of the public's confidence in one another, and the existence or absence of that vague atmosphere of speculation which plays such an important part in modern business life.

Is the amount of credit based on the gold reserve too large? Compared with the system of other countries (excluding Canada, whose system, as already stated, is almost wholly gold) it holds its own, but the fact that notes are redeemable only in Melbourne makes them fall short of the chief qualification of a note issue, viz., that they should be *immediately* convertible into gold.

It was indeed fortunate that the Government, in launching its notes, happened upon a time of prosperity. Banks, not unmindful of 1893, had adopted a policy of caution during the run of fine seasons and high prices, held large reserves, and did not seek to push advances. Consequently they were prepared for the introduction of the Australian notes, and the redemption of their own. At a less favourable time the venture must have caused stringency, and possibly disaster.

Such a radical innovation as that introduced by the Australian Notes Act might easily have repeated the disastrous experiences of the Canadian issues forty years ago. But probably at no time in Australian banking history was caution more needful than at the present time. The large increase in deposits has necessitated the strengthening of reserves and increase of capital with nearly all of our banks. Cutting up of large estates for sale and realization of land generally has probably been the cause of much of the increase. As pointed out in the foregoing, of the £141,000,000 of deposit, £62,000,000 are at call.



# Australian Banking and Currency

## III. THE COMMONWEALTH BANK

THE most serious problem that has yet confronted Australian bankers is the existence of the new Commonwealth Bank Act. The Act provides for the establishment of a national bank to do the Government's business, and carry on banking in all its branches as a competitor with public banks. It is not to be a bank of issue or to administer the Australian Notes Act and manage its issues. It will be managed by a governor and a deputy governor without any board of management, and be under the control of the Government of the day. It may do everything that any public bank may do, and in addition open and manage savings banks to collect deposits.

For what purpose is this bank being introduced? There might be some justification for the establishment of a national bank to act as managers of the currency, arrange and manage Federal or State loans, and transact Government business, but this is not the explanation of the startling innovation now proposed by the Federal Prime Minister. The intention and object of the Bill is disclosed by the saving banks provisions.

Money is needed for Federal projects, such as the building of the Transcontinental Railway, naval and military requirements, the establishment of the Federal Capital. As yet the Federal Government has not incurred any indebtedness by issue of stock. The debts of Australia have been incurred by the States on their own separate accounts, and are being added to by fresh issues of stock, mainly for railway construction. The States, not being under any power of the central Federal Government in regard to finance, have sovereign powers in regard to raising and spending moneys. Their indebtedness on loan issues total, roughly, £255,000,000, used mainly for railway construction and national works. In addition the funds of the various savings banks, as stated,

## The Commonwealth Bank

total, roughly, £50,000,000. These savings banks deposits furnish an easy and steady supply of capital to the States, and are used for State purposes—such as financing agricultural banks and other concerns—loans which may be considered as locked up, and only repayable by issue of a loan to pay off the savings bank. If we take a few figures from the savings bank of Western Australia—which is typical of the whole—we shall see how savings banks deposits are used and secured on the credit of the Government:

<i>Date.</i>	<i>Balance due to Depositors.</i>	<i>Invested in Bonds, mortgages, Treasury</i>		<i>Cash Reserve.</i>
		<i>Bills and other</i>	<i>fixed loans.</i>	
June, 1909	3,059,737		2,711,980	£374,019
June, 1910	3,481,887		2,897,060	615,453
June, 1911	4,092,504		3,292,554	828,319

The cash reserve is not held in the Treasury, but carried on current account at one of the public banks. The savings bank branch business is conducted throughout the States by the agency of the post offices, by arrangement with the Federal Government. Under the proposed Commonwealth Bank Act, the Federal Government would have—by establishing savings banks with the agency of their post offices, first giving the State Governments notice of intention to discontinue their agency—a great advantage in competition with the States savings bank. The appearance of such a competitor for saving banks funds must necessarily cause disruption, for it is certain they would command a great deal of the business now done by the States savings banks. The States, to meet the drain on their deposits, would be forced to convert their investments by issue of loans and stop lending on their agricultural banks.

The States are fully seized with the importance of protecting their deposits, and vigorous and strenuous opposition is already being offered to the Federal proposals. Some have already withdrawn the Post Office agency, and agencies at State Government buildings have been established



## Australian Banking and Currency

throughout the country. The Federal Government apparently are realizing the difficulties confronting them, both in the public and Savings Bank departments, for, although the Act has been nearly six months in existence, no definite move has yet been made to establish the Bank. It is difficult to see how its public banking provisions can be availed of from Government resources, and the only apparent solution lies in the acquisition of one of the public Banks.

If the Commonwealth Bank operates disastrously on State savings banks, what will its effect be on the public banks, who have £62,000,000 of deposit money at call? The savings banks' accounts with the public banks would be the first called on, and the public banks would find those accounts a big source of danger to themselves.

It is idle to offer conjecture as to the possible results of the introduction of such a measure as the Commonwealth Bank. Its main danger is that it may excite want of confidence in banking generally through the large possibilities for disturbance such a measure offers, and want of confidence is the forerunner of panic and disaster.

Pending clear knowledge as to the aim and scope of the operations of the Commonwealth Bank, it is impossible to say more than that banking will be disturbed. Lending will cease, resources will be husbanded, and preparations made for competition. Possibly savings banks conducted on Canadian lines by the public banks will be considered. This is the greatest weapon with which the public banks have to meet Government aggression. It is the strong feature of Canadian banking and mutually beneficial and satisfactory alike to banker and depositor.

Australian banking cannot be fully dealt with in the compass of this article, which is intended as a recital of facts and discursive comment. Such items as reserve funds, the export of gold, banks' relation to the Mints (of which there are three in Australia), clearing house systems, and



## The Commonwealth Bank

internal management have had to be passed by. The growth and evolution of Australian banking and its probable transition into new channels (perhaps on Canadian lines) with the increase of wealth, are matters that repay time and thought. Governmental interference by the Australian Notes Act, which is still in the nature of an experiment, although adopted and in force, and the coming of the Commonwealth Bank, a powerful competitor, make the path of managing bankers thorny and unenviable. Systems will be overhauled, new methods evolved and the fighting stuff of bankers tested to meet the change. Our legislators when they direct their footsteps into monetary matters which concern the daily commercial life need to walk warily and remember that "the whole of our monetary system, in fact, rests upon mutual confidence and forbearance, and when a temporary lapse of such confidence occurs we get a monetary crisis."\*

Australia. May, 1912.

\* Sykes, *Banking and Currency*.

## UNITED KINGDOM

### THE HOME RULE BILL

THE Ulster demonstrations of September last have done more than any other event to excite public interest in the Home Rule Bill. For good, and also for evil, they have aroused very strong feelings upon both sides. At one time there seemed to be a danger that a great constitutional change might be carried, or possibly that it might fail to be carried, owing entirely to the apathy and indifference of the nation. This danger may recur, but for the moment it exists no longer. More enthusiasm has been stirred, and more vehement condemnation has been evoked by this campaign, than by all the articles which have been written, and by all the speeches which have been delivered in and out of Parliament, since the Government first brought forward its proposals in the spring of the year.

Before this campaign took place it had been hinted by no means obscurely in several Liberal journals that it might become advisable to prosecute some of the more prominent agitators if their language should amount to incitements to sedition and contingent rebellion. To persons of this way of thinking much of the material of the Ulster speeches must have offered a strong temptation. They are hard indeed to satisfy who could not be content both with the quality and the quantity of the provocation. But the fact remains that the personal liberty of Sir Edward Carson, Mr F. E. Smith, and their companions is not yet threatened by any process of

## The Constitutional Conference

law. No one, either prominent or obscure, has been laid by the heels. It almost seems as if a long-suffering Government had determined to kill the Ulster opposition by kindness, or as if they had come to believe that this ugly and menacing upheaval will die down of itself, if they persist in ignoring it and in leaving it severely alone. If we are to give our reasons for thinking that Ulster opposition to the present, or to any similar, Home Rule Bill will not yield to such treatment, and will not die down of its own accord, it will be necessary to look somewhat further back than the month of September last.

### I. THE CONSTITUTIONAL CONFERENCE (1910): CAUSES AND CONSEQUENCES OF ITS FAILURE

UP to the passing of the Parliament Bill in August, 1911, or at any rate up to the general election of December, 1910, which preceded the passing of this measure, it had seemed as if, even in Ulster, the feeling of Protestant against Catholic and of Catholic against Protestant were rapidly losing most of its bitterness. It had also seemed as if the old, obstinate opposition of Irish Unionists to Home Rule of every conceivable pattern were dying down, concurrently with a dying down of the old, embittered Nationalist aspiration for Home Rule of an extreme and separatist character—for a form of Home Rule which would be indistinguishable from Colonial independence. On the one hand it was assumed that the ties which formerly bound the Protestant working men of Belfast to “the party of privilege and capital” must inevitably be snapped by the much stronger attractions which drew them, like their fellow-workers in England, Scotland and Wales, to range them-



## United Kingdom

selves with the Labour Party, and to work in alliance with the Liberals and the Nationalists; and on the other hand that the bulk of the Irish population, the Catholic peasant farmers of the south and west—who, until recently had been the backbone of the Nationalist agitation—would tend more and more towards Conservatism, and that for a variety of reasons they would form a bulwark against urban Radicalism eager to disturb and unsettle the existing order. For the peasant farmer, under the blessing of the Land Purchase Acts and by the magic of agricultural co-operation, had at last tasted the joys of possession and the sweets of prosperity. Self-interest, which had formerly made him a revolutionist, was now tending to turn him into a Tory. It appeared therefore to be highly probable that under any system of national government the parties in Ireland would no longer conform to the old landmarks but would consist of a Country party with clerical leanings and a Town party inclined to socialism. And in many quarters it was confidently believed that the old evil boundaries between Catholic and Protestant, poor and rich, would speedily be obliterated as political divisions.

Under the influence of such ideas, and in the hopes of attaining by general consent to the lasting settlement of a great constitutional difficulty, some people during the autumn of 1910, while the Constitutional Conference was still sitting, were sanguine enough to think that by making a supreme effort outside or above party, the Unionists and Nationalists of Ireland, as well as the Conservatives and Liberals of Great Britain, might be induced to come to agreement upon a Federal scheme. It was urged that if such an arrangement could be devised it would relieve the growing congestion at Westminster, would unite, and at the same time satisfy, Ireland, and that it would also be the means of securing a Second Chamber which would command the respect and confidence of all classes of the community.

This effort came to naught. Why it came to naught—whether, in fact, it came within an ace of success or never

## The Constitutional Conference

at any time rose above the horizon of practical politics—what great personalities favoured it and opposed it, on the one side or on the other—all of these are questions which still remain wrapped in obscurity and are likely to abide in that condition for a generation or more to come. But that at this time there was a ferment of no ordinary character, and that upon each side there was a strong body of opinion willing to concede much to the other for the sake of a lasting settlement is beyond doubt. And it is also beyond doubt that the reasons affecting Ireland which have been set forth in the preceding paragraph were true reasons, and in no sense illusions. How comes it, then, that as we consider the case of Ulster to-day, it seems almost impossible to believe that these reasons ever possessed a particle of reality?

The answer is that when the tide is at the ebb many things are impossible which would have been easy enough at the flood; nay, as we look out over the waste of dry sand, it is not hard to persuade ourselves that such things were never really possible at all. What happened in the autumn of 1910 is that the politicians missed the tide. Possibly, as with the ocean, the tide may flow in again some day. All we can say for certain is that at present, two years later, it appears to be still running out upon the ebb with the even speed of a mill-race.

The Constitutional Conference was set up in the summer of 1910 to find a solution for the conflict between the Lords and Commons. It is clear to everyone now that from the first this Conference was bound to fail unless it extended the scope of its operations to include the Irish question. Unfortunately at the time this fact was only clear to a comparatively small minority; and only to a minority of this minority was it clear that duty called upon them to make such an unparalleled attempt. The Conference accordingly broke down; whereupon the Government of the day, instead of endeavouring to bring about a further Conference with a wider warrant, advised an appeal to



## United Kingdom

the people upon the immediate matter of dispute—the relations of the two Houses.

For the breakdown of the Conference, and for the determination not to make any further attempt to proceed by way of conferences, the force of party feeling must bear the chief blame. Partisans, or good party men (if we prefer a pleasant-sounding name), are always sure to dislike a proposal for settling anything except upon the orthodox party lines. And if they see any chance of party advantage to be gained by spoiling such an attempt, they will immediately seize it. In this respect there is not a penny to choose between Home Rulers and Unionists; only it so happened that the chance of gaining a party advantage by the breakdown of the Conference appealed in this particular case to the Ministerialists, and not to the Opposition.

The Conference would never have been undertaken except under the pressure of abnormal conditions. The result of the general election which preceded it (January, 1910), had been to leave both the Liberals and the Unionists discouraged. The former had lost more heavily than they anticipated, and had become dependent upon the uncertain support of the Labour party and the Nationalists. The Opposition, on the other hand, had gained much less than they expected, and, providing their opponents remained united, were still faced by a large hostile majority. In the early days of the session the Government was thwarted, and its policy deflected by the tactics of its allies; but in spite of this fact the Opposition had not succeeded up to the date of King Edward's death,\* in driving any wedge into the Coalition. Both parties were dismayed. The death of the King was commonly believed to have been hastened by the anxiety occasioned by their strife. To public opinion the national loss appeared in the light of a warning or of a judgment, and it insisted in no uncertain tones that an attempt should be made to settle the constitutional issue by agreement.

\*May 6, 1910.



## The Constitutional Conference

But by the autumn the tension of public opinion had relaxed. Meanwhile the Ministerialists had gained in confidence what the Opposition had lost. Upon the later edition of the policy of the Government—the reduction of the powers of the House of Lords without reform of its constitution—the Coalition appeared to be pretty firmly united. The Unionists had more to hope for from the success of the Conference than had their opponents, for the reason that a reform of the composition of the House of Lords, with a restoration of the influence of a Second Chamber, must necessarily be a part of any agreement which might be come to. As to the need for a strong, efficient, and respected Second Chamber, the Unionists were united, while the Liberals and their allies were divided. A very considerable section of the old Liberals, though probably not the majority, were in sympathy with reform. The Radicals, on the other hand, were almost unanimous against reform, on the ground that reformation would mean additional strength, and in principle they were for the most part in favour of Single Chamber government. The Labour party upon this matter were in full agreement with the Radicals.

The Nationalists under Mr Redmond's leadership regarded it from a different standpoint. With them the question was purely one of strategy and not of principle. They were anxious to have Home Rule placed upon the Statute Book, and to this aim the creation of a strong Second Chamber might prove to be a serious obstacle. Moreover, the time which would inevitably be required for working out a scheme of reform could not be spared. Mr Redmond's programme, therefore, was clear and simple—first take away the powers of the present House of Lords: next, pass Home Rule: after that, the British Parliament was welcome to proceed at its leisure to set up whatever kind of Second Chamber with whatever powers the party then in office might have a fancy for. From the parliamentary point of view, this plan of campaign appeared to be masterly, and when it was boldly put forward a few weeks before the King's death it

## United Kingdom

elicited the greatest admiration from almost everybody who classed himself as a Home Ruler. It was a straight line as the crow flies to the desired end. It was a short cut; but, like many another short cut, it has not proved quite so short, or so easy, or indeed so safe as it appeared at first.

In October, 1910, the Constitutional Conference was making its final efforts. The Unionists, though nine months had gone by since the January election, had received no signal proof that they were regaining the favour of the country, while the Coalition in the interval had come to entertain considerable confidence in their powers of cohesion. This feeling on the Unionist side that they were not adding to their strength, and on the Home Rule side that they possessed much greater strength than they had originally supposed, explains the eagerness on the one side that the Conference might succeed and the opinion, largely held upon the other, that in many ways its failure would be a great advantage. If it succeeded, it would save the losing side from disaster, and it would thereby deprive the winning side of some of the fruits of victory.

The rank and file of the Unionist party, therefore, almost to a man wished the Conference to succeed, and, for some reason which it is hard to explain, they had made up their minds that it was going to succeed. They were certainly not unwilling to entertain the idea of a reconstruction of the House of Lords, of a curtailment of its powers, or of a scheme for the settlement of differences between the two Houses. Nor had the party as a whole, or its newspapers, shown any signs of horror at the suggestions which had been put forward for broadening the basis of the Conference so as to bring the Irish question within its scope. Indeed, in many quarters these suggestions had met with sympathy. When the Conference failed, the Unionist party was placed at a great disadvantage. They had weakened their position by the clear evidence they had given of their willingness to make concessions. They were dispirited for the moment, as everyone is apt to be who has fully made up his mind that a much-



## The Constitutional Conference

desired object is about to be realized and who suddenly finds it snatched out of his reach.

With the Coalition the case was very different. A portion of the Liberal party was without doubt as deeply and sincerely disappointed as the Unionists—a portion, however, which, though weighty in character and not inconsiderable in numbers, was only a small minority of the forces which gave their support to Mr Asquith's Government. The rest of the Liberal party were far from displeased at the breakdown of the Conference. The Radicals and the Labour party, almost to a man, were overjoyed by its failure. During the whole course of its deliberations these sections had openly questioned its utility. The bulk of the Irish Nationalists who followed Mr Redmond also professed to regard the result with satisfaction, and there is no reason to suppose that their satisfaction was feigned. And the general satisfaction of the Coalition was considerably increased when it became apparent to the whole party, as it had doubtless been apparent to the astute Chief Whip of the Liberal party before the breakdown occurred, that their political opponents would enter upon the general election at a great disadvantage. It was openly stated at the time, and generally credited, that with an immediate general election the Government would strengthen its position by the gain of thirty seats.

They did not in fact gain a single seat and the general balance of parties remained undisturbed. The Master of Elibank was, as a rule, pretty shrewd in his reckonings, and the reason why in this instance his forecast—if it were in fact his forecast—was not realized was due to the fact that the Unionists, honestly believing themselves to have been tricked and deliberately taken at a disadvantage, rallied in an altogether unexpected manner, and, although they committed blunder after blunder between the failure of the Conference and the end of the general election, they fought with far greater spirit and conviction than they had shown at either of the preceding contests.



## United Kingdom

Mr Redmond and the other leaders of the Nationalist party did not bless the Constitutional Conference: neither did they ban it. They maintained an attitude of masterly inactivity and watchful reserve, observing the phenomena very much in the same spirit which has animated the diplomatists of the Concert of Europe with regard to the *status quo* in the Near East. When the suggestion was put forward from the Unionist side for widening the scope of the Conference so as to include the Irish question, it met with no response whatever from Mr Redmond or Mr Dillon. When the issue of the Conference was known to be trembling in the balance they did not lift a finger to save it. A twelvemonth later Mr Redmond and his colleagues were going up and down Great Britain making admirable speeches (which were at the time commended in THE ROUND TABLE) about the reciprocal duties of English and Irish, and the feelings which ought to animate them in their relations one with another. But at this, the crucial, moment they said not a word, showed not a sign of sympathy, put forth not a single effort to hinder the forces of party feeling from making an end of the Conference and with it of all hope of a settlement by consent.

If Mr Redmond, with the eloquence of which he is always master, had then added his appeal to the sentiment which was manifesting itself among his Unionist opponents, he might not now, with his companions, be stumbling and breaking his shins in that perilous short cut, which with the eye of a consummate strategist, he entered upon two years ago with so much confidence and applause. There are moments in all human affairs, from war even down to politics, when a sudden blow in the right place is worth the best-laid strategy that ever came out of the brain of man. Mr Redmond was at this time in the United States engaged in the collection of subscriptions, but presumably he was kept fully informed of what was passing in the United Kingdom during his absence. Had he spoken then and there it is not easy to see how he could have failed to meet with

## The Constitutional Conference

such a response from a section of the Unionist party and from the greater part of the Unionist press as would have given him, possibly immediate victory, but in any event the key of the position. But as he was either too timid or too wary to give any proofs of a generous confidence, so he took nothing in return. With equanimity, if not with complacency, like some stage figure of imperturbable dignity, he watched this opportunity of a peaceful settlement passing out of his reach, and out of the reach of all other men.

Mr William O'Brien, it is true, in whose simpler and more impulsive mind the metaphors of war have not become so hopelessly confounded with the principles of politics, saw the real position of affairs much more clearly. Not being hypnotized by military maxims, or fettered by any reputation whatsoever for strategy, he perceived clearly enough that the movement which was going forward was no party manœuvre engineered by the leaders, but a genuine desire on the part of their followers to discover a reasonable and peaceful means of settlement, he grasped the fact that, if this mood of the Unionist rank and file had been met half way and encouraged by the spokesmen of Irish Nationalism, it was probably strong enough to overbear the doubts of the leaders and to carry popular opinion with it in an irresistible momentum.

Mr O'Brien did his best, and very gallantly, but he and Mr Healy were the leaders of only an inconsiderable minority of the Irish representatives. With the orthodox Nationalists they and their scanty following were at open war. It was enough for Mr O'Brien and Mr Healy to bless any course of action for Mr Redmond and Mr Dillon to curse it. Mr O'Brien's enthusiasm was capable of a good deal, but not of carrying the deadweight of Mr Redmond's "masterly strategy" on its back.

The general election (December, 1910), which followed immediately upon the breakdown of the Constitutional Conference, was fought upon the Parliament Bill and



## United Kingdom

upon the Parliament Bill alone. It is unfair to allege, as has been done in recent speeches of the Opposition, that the issue of Home Rule was deliberately shirked on this occasion by members of the Government and their supporters; but it is incontestable that on the Ministerial side this issue was not placed in the foreground, was not relied on, was not even raised or referred to, except in reply to the attacks of their opponents. On the Opposition side, it is true that Home Rule was constantly discussed, and that from hundreds, possibly from thousands, of platforms people were warned that Home Rule would be one of the consequences of allowing the Parliament Bill to pass. But the Opposition pushed forward this issue quite unavailingly. People refused to pay heed to a vague phrase, capable of any meaning, or of none—a phrase ragged and antique, of which they were grown weary, having heard it shouted at every election for twenty-five years past. Home Rule, as the Liberal papers truly said, was only used by Unionists as a bogey. But it was now no shape of terror, for it had lost all appearance of life and meaning.

But if the fear of Home Rule did not terrify people into voting *against* the Government, the hope of Home Rule certainly did not lure them into voting *for* the Government. No one who is not a mere partisan, and who remembers this election, will deny that the only question which then occupied public attention was the fight between the House of Commons and the House of Lords, and that, in Great Britain at all events, the fear or hope of Home Rule did not lose or win a single seat. The mind of the electorate was much too full of other things to take the slightest interest in this future event. It was even believed by the simpler class of voters that the Unionists were drawing a red herring across the scent when they said that the Liberals intended to carry Home Rule as a result of the Parliament Bill.

And when the election of December, 1910, was over the Unionists, whatever they might say in public, realized quite



## The Constitutional Conference

clearly that they had lost. They had lost the election. They would lose inevitably also in the fight over the Parliament Bill, which would be carried in spite of all their efforts. They were sore, having the feeling, such as people are apt to entertain who have been badly beaten, that they had been tricked over the break-up of the Conference and the immediate dissolution. On what could they hope to win? Party instinct gave them their answer in no uncertain tones—on Home Rule. “By the Parliament Bill,” said the Unionist to the Government, “you are about to take away the power of the House of Lords to refer any measure, however fundamental, to the country for its approval. You have carried a great constitutional change, not by consent, but with violence, as an item in the party programme, and against the wishes of not far short of half the electors. You have succeeded so far, and as the first fruits of success you will be compelled to bring forward a measure of Home Rule—not such a measure as you yourselves would have approved and welcomed in the autumn of 1910, but such as your Radicals, and your Irish and Labour allies, flushed with victory, will insist upon. Whatever you may say, you will not be allowed by your own side to bring forward such a measure as can hope to command a general agreement. Whatever you may pretend, you will not dare to stake your fortunes on a Federal scheme. You will be forced by your jubilant party to attempt once more to pass the steam-roller over your opponents, and to carry for a second time a vast constitutional change on party lines by party majorities and without a general assent. You will fail: for the country will not stand this procedure twice running. No scheme of Home Rule has ever yet been popular when it has been set out in black and white. On anything but a Federal scheme we will break you for a certainty, and you cannot hope to carry a Federal scheme without our help. That you shall never have, and so long as we break you we care not what else we break. As you have used us, so we will use you; and against you, who treacherously broke up the Constitutional

## United Kingdom

Conference in order that you might take us at a disadvantage, who extracted a pledge from the King while concealing from him the real effect of his undertaking, any weapons are legitimate."

The part played by exaggeration, prejudice, and misconception in this argument will be apparent enough to any outside observer; but in the present case it is important that the outside observer should understand not merely what the facts are, but what the one side and the other believe those facts to be. It is necessary for him to have a perception of the Unionist belief in order to comprehend the forces which have been at work now for nearly two years and which are still at work. Misconception or no misconception, the Unionists are fighting under an extremely bitter sense of a wrong which is supposed by them to have been inflicted, not merely upon themselves as a party, but upon certain ideas, principles, and traditions which they cherish. This feeling of indignation appears to be growing stronger rather than diminishing as time goes on, and while it is doubtless responsible for not a few of the many blunders which the party have recently committed, and while at times it clouds the utterances even of the highest luminaries with a kind of frenzy and incoherence, it gives nevertheless a very formidable impulse to their attack, and has engendered a fighting spirit which has been lacking for many years in their ranks.

## II. THE ULSTER QUESTION

**I**N no part of these islands are the views which we have ventured to put into the mouth of the Unionist party held with greater vehemence than in Ulster, where the Protestant working-man (who is a Liberal by tradition, and who ought, we might suppose, to be a supporter of the Labour party from motives of self-interest) is now working

## MAP OF IRELAND

*Showing distribution of Non-Catholic Population.*





THE POPULATION OF THE COUNTIES OF IRELAND.  
FROM CENSUS 1911

	R.C.	Other Den.	Per cent.		R.C.	Other Den.	Per cent.		R.C.	Other Den.	Per cent.
Donegal.....	54,648	11,943	17.9	Clare.....	102,300	1,932	1.8	Leitrim.....	58,139	5,423	8.5
Waterford ...	79,391	4,575	5.4	Wicklow ....	47,999	12,712	20.9	Galway .....	177,920	4,304	2.3
Kilkenny ....	71,193	3,769	5.0	Westmeath ..	54,779	5,207	8.6	Roscommon ..	91,731	2,225	2.2
Wexford .....	94,413	7,860	7.7	Queen's County	48,480	6,149	11.2	Fermanagh ..	34,740	27,096	43.8
County.....	72,125	6,920	8.7	Tyrone.....	79,015	63,650	44.6	Cavan .....	74,271	16,992	18.5
County.....	356,269	35,835	9.1	Donegal.....	133,021	35,516	21.0	Tipperary ..	144,156	8,277	5.4
Monaghan ....	54,526	65,705	54.6	Dublin.....	375,742	101,454	21.2	Limerick ....	136,367	6,702	4.6
Kerry .....	135,322	4,369	2.8	Louth .....	58,303	5,362	8.4	Monaghan ..	53,363	18,092	25.3
County.....	60,660	4,431	6.8	Longford ....	40,297	3,523	8.0	Donegal.....	133,021	35,516	21.0
County.....	188,069	4,108	2.1	King's County	51,178	5,654	9.9	Antrim.....	39,751	154,113	79.5
Londonderry.	64,401	76,224	54.2	Carlow .....	32,317	3,935	10.8	Down.....	64,485	139,818	68.4

## The Ulster Question

hand-in-hand with his capitalist employer, where the labourer is likewise working hand-in-hand with the farmer, and the farmer with his landlord, and where clergymen of every variety of the Protestant faith have bound themselves firmly together to defeat the present Home Rule Bill by every means at their disposal—by popular agitation, by passive resistance, or if need be by force.

There are several points in this connexion which it may be useful to recall to the recollection of our readers. First in importance among these is the primary question as to the extent and the character of the opposition which Irishmen resident in Ireland are opposing to the Home Rule Bill. What of Ulster itself? For while the Unionists are constantly claiming that Ulster is solidly united against the measure, the Liberals, and particularly the Prime Minister, are reminding us with an equal iteration that the Ulster representatives in Parliament are almost equally divided for and against it. Mr Asquith's contention is a lawyer's point. For although the province which is geographically described as Ulster is divided in the manner he alleges it to be, what the Unionists mean by Ulster is not the province which extends from east to west, but the Protestant community—or "nation" as it is called—which inhabits the north-east.

The map\* which faces this page shows the distribution of the non-Catholic population in Ireland, and it does not stand in need of any commentary. The problem with which Home Rulers are faced is rendered infinitely more difficult by the fact that the opposition is for the most part massed together in one particular region instead of being distributed more or less equally over the whole island. A second difficulty is found in the character of the people who compose this opposition—in their energy, thrift, self-reliance and prosperity. A third lies in the fact that there are now, and have been unfortunately for three centuries past, two nations in Ireland; and the hardest problem which faces the Home Ruler is not how he may take Irish affairs

\* Reproduced by kind permission of the editor of *The Times*.



## United Kingdom

out of English hands (a comparatively simple operation), but how, having done this, he is to unite under one national government these two Irish nations between whom temperament, tradition and religion have combined to set up obstacles of the most serious character.

The following quotations dealing with these aspects of the Ulster Question are taken from a letter to *The Times*, the writer of which, from the tenor of this and other letters upon the same subject, may be judged to be favourably disposed to Home Rule upon a federal basis and as not unwilling to believe that it is practicable to devise a scheme fulfilling this condition.

\*There are, unfortunately, two nations in Ireland—the Nationalists of the south and west, and these Ulstermen of the north-east. Both are partners in the United Kingdom. The former nation, to some extent, is an unwilling partner; the latter is well satisfied with the existing arrangement. Whatever may be said for releasing the unwilling partner from some of his present obligations and privileges, it is clearly a more difficult matter to insist also upon releasing the partner who is content with his position and who protests against having the terms varied. This is difficult enough. But it is not all that the Government proposes.

What the Government proposes is not merely difficult but impossible. For the Home Rule Bill aims at setting up a new and separate partnership between the two nations which inhabit Ireland; and although this partnership is of a limited character, and is hedged round with all manner of restrictions and safeguards, it does, nevertheless, place the Ulstermen, so far as the proposed Irish Parliament and (what is even more important) the proposed Irish Government are concerned, in a position of helpless inferiority. In the Parliament they will be outnumbered by three to one, or by four to one; in the Government they will have no share at all; upon these points there can be no doubt whatsoever. Presumably we have the power, and possibly we have even the right, to dissolve our own partnership with Ulster; but it is clear that we have neither the power nor the right to tie Ulster up in a new partnership with some one else unless we can bring her to consent to it. Conceivably we may divorce Ulster as Henry VIII divorced Queen Katherine; but we cannot thereupon marry her to another bridegroom against her will. No;

\* PACIFICUS, *The Times*, May, 1912.



## The Ulster Question

not even if we secure her interests under the most advantageous marriage settlement which the ingenuity of lawyers can devise.

There are two nations in Ireland, and the vividness of their national memories is the tragedy of Ireland. You cannot put one of these two nations against its will into the power of the other. The melancholy history of Ireland, down to the Union, is mainly the history of the failure of such attempts. The attempt of the last of the Stuart kings to put the Protestants under the heel of the Catholics, the North under the heel of the South, was a brief and bloody episode; the end of it was failure. The attempt of eighteenth century statesmen to keep the Catholics, like the toad, under the harrow of Protestantism was a protracted agony. The end of it likewise was failure. Until the Union justice was impossible. Until long after the Union, as has been ably pointed out by your Special Correspondent, the fountain of justice was choked by the old traditions, by prejudice, and misunderstanding. Catholic emancipation came tardily; Land Acts still more tardily. The blunders of the British Government during the famine, and with regard to the encumbered estates, drove people to despair. If the oppression of Catholic by Protestant and of Protestant by Catholic was ended, in theory at least, by the Union, the Union seemed to many Irishmen to have set up a still greater evil in the stupidity of the Saxon, immersed, as he then was, in industrial expansion, and besotted with a philosophy which had been invented to glorify the new road to riches.

In the last quarter of the nineteenth century a change came over the scene, and the memory of this change is so recent that it is unnecessary to dwell upon its features. But during the whole story, down to the present moment, the one thing constant throughout has been, not the demand of Ireland for self-government, but the existence of these two nations in Ireland, which in earlier days the policy, and in later days the blunders, of English Ministers have kept asunder. The aim of sound statesmanship is to draw them together, for their animosity is a source of danger, not only to themselves, but to the Empire. So much we may all admit; but we have also to admit with sorrow that, so far, this aim has not been reached. The present Bill will not draw them together; indeed, there can be no question that the menace of it has put them further asunder than they have been during many years past.

The two nations of Ireland are separated from one another by various causes. Difference of race counts for something; but they are separated even more by their religion, and to a still greater extent by their history. The conditions under which they live, the means by which they earn their livelihood, the success of the one and the comparative failure of the other in the pursuit of

## United Kingdom

material prosperity, have accentuated the divisions and have tended to produce misunderstanding. And not only history, but also geography has made for separation rather than for union. Foreigners, and even our own kinsmen in the Dominions, appear sometimes to imagine that the opponents of Home Rule in Ireland are sprinkled about over the length and breadth of the land in a refractory minority of one to four or thereabouts, obstructing the majority and sterilizing the "national spirit" in every town, village, and county from Donegal to County Cork. It is not realized by these critics that the smaller nation is massed together in the north-east, that it is supreme within its own sphere, and that it holds Belfast, one of the largest and most prosperous cities in the Empire, by an overwhelming majority.

\* \* \* \*

Ever since Parliament met in January, 1911, both Liberals and Nationalists have frankly proclaimed their intention of carrying Home Rule while the Constitution was in abeyance and before it had been reformed. With boasting and jubilation they have announced to us time and again that this measure, the terms of which did not see the light of day, even the principles of which were entirely unknown, until less than a month ago, shall, nevertheless, become law without an appeal to the people of the United Kingdom. They have openly delighted in the adroitness of their leader, while Ulster has grown more and more embittered as it listened with open ears to these garrulous warnings. The smaller nation had hitherto possessed a right of appeal by general election to the sense of justice of their fellow-countrymen. This right is now taken away. Can we wonder that Ulster says it will not have this Bill or any Bill which comes from such a source? And can we do other than wonder at the fatuity of a Government which, knowing (as it must have known, if it knows anything) that the consent of the Ulster community is necessary, has pursued a course of action which could only result in the refusal of that consent? If Mr Asquith had desired to make the Ulstermen unanimous he could hardly have gone a better way to work.

If this be at all a true diagnosis of the Ulster difficulty, it is clear that the conditions which Unionist politicians found ready to their hands were altogether favourable to a vigorous agitation. This agitation began in September, 1911, within a month of the date at which the Parliament Bill received the Royal assent. Our readers will remember that in referring\* to these early demonstrations we stated

\* THE ROUND TABLE, December, 1911, page 118, *et seq.*



## The Ulster Question

that while the general public opinion of Great Britain seemed to us to condemn the methods and language of the leading agitators, all persons who had been present, irrespective of party, appeared to have been impressed with the seriousness and the sincerity of the remarkable gatherings. The violence and intolerance which characterized many of the speeches, as well as the open threats of resistance to the law grated upon British ears. It was thought in Unionist quarters as well as on the Home Rule side that there was a levity difficult to excuse (especially in persons who in former days had held high office) in openly proclaiming the intention to defeat by methods of rebellion or secession a measure the terms of which were not then announced and which when announced could not possibly become law for upwards of two years.

The justification which was put forward for these threats, which the world in general considered, to say the least of it, to be somewhat premature, is best given in Sir Edward Carson's own words,\* which were received with unbounded enthusiasm by an assemblage of 20,000 people. "Mr Asquith said they would not be allowed to put their case before the British electorate. It followed that they must rely on themselves, and they must pursue the argument to its logical conclusion." But this sentiment, which if it had stood alone, would undoubtedly have conciliated a large amount of sympathy, was unfortunately accompanied by a categorical statement "that under no circumstances would they accept Home Rule." As the Liberals were not slow to point out, a man puts himself out of court if he complains that he is not permitted to lay his case before a certain tribunal, and at the same time makes it clear that, whatever this tribunal may decide, he will only accept its ruling if it is in his own favour.

But only on very rare occasions have powerful popular agitations been much concerned about logic. These two contentions, to some extent contradictory, were the main

\* Sir Edward Carson at Belfast, September 24, 1911.



## United Kingdom

burden of many speeches, and it cannot be denied that they produced an immense effect. If this, which we shall call the First Ulster Autumn Campaign, was purely a piece of political wire-pulling, reinforced by eloquence, it was a very remarkable and unusual triumph for oratory and wire-pulling; and if it was not so, if the orators and organizers were only giving expression and effect to a spontaneous, already existing, popular demand, it was a phenomenon absolutely unique in recent history. The general opinion in Great Britain at the time was, that in the main the success of this agitation stood to the credit of the politicians, who were held to have worked most skilfully upon the peculiar prejudices and virtues of the Ulster Protestants. Looking back upon the event, probably the majority of people are now inclined to agree with this verdict.

But with regard to the next event of importance, which occurred in January of the present year—the refusal to allow Mr Churchill to address a meeting in support of Home Rule in the “Ulster Hall” in Belfast—the same verdict would not be so generally accepted. This refusal, which outraged the British sense of fair play, was at the time freely attributed to the agitators; but it seems fairly certain that the agitators in this instance were really powerless to hold in the men whom during the previous months they had stirred into a state of high excitement. The “Ulster Hall” was accordingly represented as possessing some mystic significance. It was sacred ground, not to be profaned by any convention of persons intent on purposes ill-regarded by the Protestant community. And there was also a more practical motive to which Captain Craig judged it useful to give expression:

He [Mr Churchill] proposed to come there in order that he might go back to England and have an opportunity of saying that he had addressed a vast audience in the historic Ulster Hall comprising the vast Protestant feeling in the city. That would never happen. Far better for them to take the matter into their own hands at once. After all

## The Ulster Question

the resolutions they had passed during the years gone by saying that they would have no Home Rule, and that there would be no surrender, they could not and would not shirk their responsibilities now. (*To a reporter, January 18, 1912.*)

In the end, of course, Mr Churchill's projected meeting in the Ulster Hall had to be abandoned, and was held instead in an improvised auditorium constructed upon a football field. The honour of the Protestant community having been satisfied by their moral victory, their leaders succeeded, though not without difficulty, in preserving order. The counter-demonstration passed off without actual violence; but Mr Churchill, who on this occasion showed even more than his usual degree of cool personal courage, is not likely ever to forget the sullen aspect of the crowds who escorted him on his way.

The next event of importance is the meeting which Mr Bonar Law, as the official leader of the Unionist party in the House of Commons, addressed in Belfast on April 9. This demonstration, as might have been expected, passed off without disorder and amid scenes of the greatest enthusiasm.

I do not conceal from you [he said] that the peril with which you are threatened is very grave. I entertain no hope that the majority in the House of Commons will be broken down. . . . I say it with all solemnity. You must trust to yourselves. Once again you hold the pass for the Empire.

\*     \*     \*

There is no instance in history where force has been used by any nation to drive out their own citizens. . . . Is it conceivable that the British people would use force to compel you to secede? Under any circumstances, your resistance would, I think, be irresistible. But the moral power of the resistance is increased a thousandfold by the way in which it is proposed that this calamity should be forced upon you (i.e. without appeal to the country).

The effect which this gathering produced upon the Unionist mind had better be given in Mr Law's own words, speaking from his place in the House of Commons:

## United Kingdom

I was present last week at a gathering of these people. It is really difficult for me, and I am afraid impossible to tell the House what I saw and to express what I felt without those who were not present thinking I am talking with exaggeration and perhaps bombastically. But I am glad to say there was a large number of members of this House who did witness it, and they will know that no words that I can use will adequately express the impression made upon me. I have been present at many political demonstrations, perhaps as large as have been held in this country in recent years. This gathering was not like any one of them. It really was not a political demonstration. It was the expression of the soul of a people, and, I believe, a great people. They say they will not submit, except by force, to such a Government. How are you going to make them? I know that in what I am going to say I run the risk of being told that I am talking incendiarism unworthy of the position I hold. I will take that risk, for I have another duty, at least I think so, and that duty is to impress upon this House, if I can, and to impress upon the country so far as my words can reach, the reality of the situation in Ireland . . . These men, this is my sincere belief, are ready in what they believe to be the cause of Justice and Liberty to lay down their lives . . . Does anyone suppose that any Prime Minister can give orders to shoot down men whose only crime is that they refuse to be driven out of our community? . . . This is a reality. It is a rock, and on that rock this Bill, or any Bill like it, will inevitably make shipwreck.

In the second reading debate, which occurred in the first week of May, Mr Churchill and Sir Edward Grey both took part. Mr Churchill said:

It is impossible for a Liberal Government, or any British Government, to treat cavalierly or contemptuously the sincere sentiments of a numerous well-defined community like the Protestant North of Ireland. We may think them wrong or unreasonable, but there they are. We may think their opinions are prejudiced, but their opinions are facts of the most stubborn kind. . . .

Sir Edward Grey said:

It is exceedingly difficult I admit, for us to deal with the question of Ulster . . . We have here a great problem to solve, and it cannot be solved by strong feeling or the use of strong language. One thing we cannot do for Ulster, and that is to sacrifice the House of Commons or the Central Imperial Government to Ulster feeling. If Ulster defeated the solution we propose, or succeeded in making it



## The Ulster Question

impossible, we cannot afford to continue the present state of affairs. Some other solution will have to be found through this House to put the control of Irish affairs in Irish hands. That has to be done.

But Sir Edward Grey made no detailed suggestion as to the ways of carrying out what he had in his mind and Mr Law commented upon his speech as follows :

The Foreign Secretary said something which, if the words of a responsible Minister have any meaning, imply that you do not intend to force these proposals on the people of Ulster against the will of the people of Ulster . . . Do you not know that Ulster refuses to accept it? So long as you go on with this Bill, the words of the Foreign Secretary are an invitation to the people of Ulster to show more clearly that they will not accept it. How can they do that except by violence? Will nothing satisfy you until there has been bloodshed?

The next event to which it is necessary to refer was a speech of Mr Bonar Law's to a large Unionist gathering at Blenheim on July 27, at which he used words which evoked much censure from the Liberal side and not a little heart-searching, as we believe, among some members of his own party. When challenged in the House of Commons, he reiterated what he had said at Blenheim, and offered no apology or qualification. His original words were :

While I had still in the party a position of less responsibility than that which I have now, I said that in my opinion, if an attempt were made without the clearly expressed will of the people of this country, and as part of a corrupt Parliamentary bargain, to deprive these people of their birthright, they would be justified in resisting by all means in their power, including force. I said so then, and I say so now, with a full sense of the responsibility which attaches to my position, that if an attempt be made under present conditions I can imagine no length of resistance to which Ulster will go in which I shall not be ready to support them and in which they will not be supported by the overwhelming majority of the British people.

On the eve of the Second Ulster Autumn Campaign Mr Churchill, addressing a meeting of his constituents in

## United Kingdom

Dundee on the 12th of last September, chose the occasion (for motives which are still involved in mystery) to make the following remarkable declaration:

If it were desired to set up a workable federal system in these islands, they would have to face the task of dividing England into several great self-governing areas. Some of these areas could be readily discerned. There was, for instance, the great Lancashire area, with a mass of people all with very similar interests and very much the same kind of conditions of life and with rather the same kind of view on educational questions and local politics. Then there was Yorkshire, about as large, or larger perhaps. In Yorkshire there was a different point of view from Lancashire, but still a point of view which it was very desirable should receive a real and sustained expression in the political life of the country.

In the course of his interesting speech Mr Churchill threw out the suggestion that as many as twelve subordinate parliaments might not be beyond the needs of the United Kingdom in order to get rid of the existing congestion at Westminster and to allow freedom for a healthy development of local life and institutions. This contribution to the discussion fell into the political arena with the effect of a bomb-shell. By friends and foes alike it was interpreted as a signal of distress, and was taken to mean that a section at least of the Government had come to realize that it would be impossible to force the Protestant community of Ulster to submit to the provisions of their Home Rule Bill. For if the differences of interests prevailing in Yorkshire and Lancashire required that these populous and adjacent counties should be provided each with a separate parliament, it appeared to everybody to be obvious that North-East Ulster had a similar right to manage its own affairs, and an even stronger right to object to a Bill which proposed to place its local development and ambitions at the mercy of an overwhelming Catholic majority elected by the South and West of Ireland.

Neither Mr Churchill's profession that he spoke for himself alone, nor the implication that his words were uttered

## The Ulster Question

more in the character of a philosopher pondering upon first principles than in that of a practical statesman faced with an immediate issue, gained any general credence. It was assumed that his sympathies, and those of other members of the party, were with a federal solution, and that he had come to recognize that the solution which was offered by the Government Bill was not of a federal character. From the beginning this had been the contention not only of the official Unionist Opposition, but of others who endeavoured to approach the subject on its merits, and not as partisans.\*

The Federalists held, in the first place, that it was altogether impossible to set up a federal system piecemeal. The grant of a semi-independent parliament to Ireland alone was not an approach to federalism, but a step in the contrary direction; for a federal solution meant, and could only mean, the simultaneous creation of subordinate, national, or local parliaments throughout the whole of the United Kingdom.

The second objection of the Federalists was that certain provisions in the Bill—as, for example, the handing over of the Post Office to the proposed Irish Parliament, and the power which was to be given to that body to set up a different customs tariff from that of the rest of the United Kingdom—were entirely against the spirit of a true federal arrangement. By persons of this way of thinking, if not by party politicians, Mr Churchill's pronouncement was welcomed as a serious contribution to the settlement of a problem of great urgency. By the official Opposition, however, it was welcomed only because it was interpreted as a confession of failure, and could be derided as a proposal for restoring the Heptarchy. By the Liberals it was deplored as indicating dissension in the Cabinet. By the Radicals and the Labour party it was denounced as a mischievous and impracticable heresy. While to Mr

\* Cf. Article on "Home Rule" in *THE ROUND TABLE*, June, 1912, and Letters of "Pacificus" in *The Times*, April 30 and May 8, 1912.



## United Kingdom

Redmond and his followers it appeared in an even more unfavourable light—as part of a Whig plot to bring about the abandonment of the Bill.

The Second (and greater) Ulster Autumn Campaign began at Enniskillen on September 18, and during the ensuing ten days meetings were also held at Lisburn, Coleraine, Belfast, Dromore, Newtownards, Ballyroney, Londonderry, and again at Belfast. In each case the assemblages were remarkable for the immense numbers of people who attended them and for the enthusiasm which characterized the proceedings. In every case the audience affirmed its resolution to resist, if need were, by force of arms, a constitutional amendment which had never been approved at a general election, and regarding which the Government had declared their intention to place it on the Statute Book by benefit of the Parliament Act, and without an appeal to the country. On September 28 the signing began of a “Solemn Covenant,” the terms of which are as follows:

Being convinced in our consciences that Home Rule would be disastrous to the material well-being of Ulster as well as of the whole of Ireland, subversive of our civil and religious freedom, destructive of our citizenship, and perilous to the unity of the Empire, we, whose names are underwritten, men of Ulster, loyal subjects of his Gracious Majesty King George V, humbly relying on the God Whom our fathers in days of stress and trial confidently trusted, hereby pledge ourselves in Solemn Covenant throughout this our time of threatened calamity to stand by one another in defending, for ourselves and our children, our cherished position of equal citizenship in the United Kingdom, and in using all means which may be found necessary to defeat the present conspiracy to set up a Home Rule Parliament in Ireland; and, in the event of such a Parliament being forced upon us, we further solemnly and mutually pledge ourselves to refuse to recognize its authority. In sure confidence that God will defend the right, we hereto subscribe our names, and, further, we individually declare that we have not already signed this Covenant.

For several weeks before these proceedings began speculation with regard to their probable course was the chief

## The Ulster Question

topic which occupied the press of both parties. In some quarters it was anticipated that the constitution of a secessionist government would be announced; in others, that there would be an outburst of riot and violence; in others, again, that the whole affair would end in bombast and fiasco. None of these prophecies was fulfilled, and still it may be safely said that public curiosity was in no wise disappointed by the event. While the campaign was taking place, as before it began, it held the interest of the whole nation. When it was ended, all sides admitted that it had produced a remarkable impression, though as to the precise character of the impression opinions differed widely.

To some minds undoubtedly it carried the conviction that the cause of Ulster was just; to others that Ulster was lost utterly to reason—a rebel, and a traitor to the principle of popular government. But there was agreement between a considerable section of the Ministerialists (including certain members of the Cabinet) on the one hand, and the whole body of the Opposition on the other that, at any rate, the threatened resistance of Ulster was an obstacle of the most formidable character. The only point where popular anticipation went astray was with regard to the effect these proceedings would produce in the House of Commons when that body assembled ten days later. It was predicted that the autumn Session would open amid scenes of great excitement. Home Rulers confidently expected that the Unionists would then embark upon a sensational programme and would attempt to render debate impossible by violence and disorder; while the Unionists reckoned with an equal assurance that the Home Rulers would take the earliest opportunity of denouncing the Ulster demonstrations, at which both the language used and the military parade offered a deliberate outrage to the Ministry and an obvious target for constitutional criticism.

Neither of these expectations has been realized. The Unionists have, so far, been guilty of no disorder, while the Home Rulers have as yet delivered no parliamentary attack

## United Kingdom

upon the promoters of this remarkable agitation. The Ministerialists appear to be divided between those who welcome the orderly progress of debate with a sigh of relief, and those others who emit a groan of disappointment because their opponents have been wise enough to refrain from putting themselves hopelessly in the wrong. But among the Opposition there is no such division. With them there is nothing but chagrin that no legal or parliamentary impeachment has followed upon their terrible doings. The nearest approach to high official recognition of their wickedness was a speech which the Prime Minister delivered\* to his constituents a few days before Parliament met. Mr Asquith, after bringing forward the argument, to which reference has already been made,† that there is really no Ulster Question because half of the Ulster representatives are in favour of Home Rule, thus rebuked the demonstrators:

The reckless rodomontade at Blenheim in the early summer as developed and amplified in this Ulster campaign, furnishes a complete grammar of anarchy. The possession of a conscience and a repugnance to obey inconvenient or objectionable laws are not the monopoly of the Protestants of the North-East of Ireland. This new dictum . . . takes body and shape, and claims to stop the well-ordered machinery of a self-governing society. If they were to succeed—they will not succeed—. . . a more deadly blow has never been dealt . . . at the very foundations on which democratic government rests.

In spite, however, of the taunts which were immediately directed at the Prime Minister for his denunciation of a practice which, under the name of "passive resistance," had been employed very vigorously by his own party against the Unionist Education Act, no further condemnation could be elicited and no martyrdom could be provoked. But while politicians, possibly with a wise consideration for the exigencies of the party game, have abstained from any formal and effective denunciation of the Ulster agitators,

\* October 5th.

† page III.



## The Ulster Question

and have hesitated to bring them up for judgment at the bar of the House of Commons, public opinion has not felt itself bound by the same restraint.

While most people were profoundly impressed by the strength, determination, and sincerity of the Protestant community of Ulster—while (especially among the English Nonconformists, Liberals though they are and Home Rulers on principle) the seriousness of these manifestations was readily admitted—while efforts to belittle them because they were attended by certain childish absurdities, and to represent them as a mere farce on the grounds that some of the crowd carried dummy rifles and dragged wooden cannon, speedily died down into silence—it must not therefore be supposed that in many hearts, Conservative as well as Radical, there were not feelings of strong condemnation for the language used by Sir Edward Carson and his lieutenants, and grave anxiety as to the future which such events might portend for popular government. Although no serious violence has yet occurred in Ulster as the result of these marchings and shoutings, many people are sceptical as to the motives with which they were undertaken. It has been alleged by the leading spirits that one of their main objects was to keep the seething indignation of Ulster within bounds. To many it seemed that this laudable intention was little likely to be assisted by such a crackling of thorns under the pot. And the opinion was freely held that the real motive was not so much to keep the Protestant community cool, as to keep the political agitation at the boil.

It is nearly two years before the Home Rule Bill can by any possibility become law, and this, with all the chances of political warfare, gives a long period for making clear to the country the folly and injustice which it is believed by the Ulster Protestants that the Bill would work. Moreover, it is becoming more probable every day—despite what the Government originally stated to Parliament and promised to Mr Redmond—that before the Bill becomes an Act the country will have an opportunity given it of pronouncing an

## United Kingdom

opinion on its merits. While constitutional means of resistance are still available, all this talk of provisional government, and all this threat and parade of armed resistance seem somewhat premature.

Additional criticism is directed against the machinery which has been employed. The determination of Ulster to resist is an important fact, but by what means has this determination been arrived at? The hands, no doubt, are the hands of Ulster, but in the voice are there not the tones of Unionist politicians anxious for seats upon the Treasury Bench? To rebut this insinuation, which has been constantly made, these Ulster demonstrations should have been the work of Ulster alone. From this point of view it is unfortunate that many of the most conspicuous orators upon the occasion were not Ulstermen. Some were not even Irishmen. The assistance of seasoned English party politicians like Mr F. E. Smith and Lord Hugh Cecil, though no doubt kindly intended, did not strengthen the effect on public opinion, but, on the contrary, distinctly weakened it. Also the facts that even among the Irishmen who were prominent on this occasion, so many (including Sir Edward Carson himself) were of Southern origin, that so many of them were political lawyers (a class which of late has not been gaining in respect), and that the great majority were well-known members of the official Unionist party, were facts which gave colour and support to the Home Rulers' contention that the Protestants of Ulster were a narrow and simple-minded race whom the Tory wire-pullers of the central office, for their own base party purposes, were using as tools.\* And even to others

\* Interview with Sir Hugh Mack of Belfast, *Daily Chronicle*, September 25, 1912. "Then you do not regard the leaders as being representative of Ulster feeling?" "No, I do not," was the reply. "They are a handful of lawyers who have no more connexion with Ulster than you have. Sir Edward Carson lives in London; so does Mr Campbell, and they are not even Ulster members. Mr William Moore, Mr John Gordon, and Mr Horner live in Dublin. What does Mr F. E. Smith know about Ulster, and what has Lord Londonderry ever done for Ireland except draw enormous sums every year in rents, and spend them somewhere else?"



## The Committee Stage: Its Unreality

who inclined to take a more moderate view it appeared remarkable and something of a weakness that in spite of so much enthusiasm among the private citizens, Ulster in this time of crisis should be dependent almost entirely upon the politicians, and apparently not strong enough in brains and characters to provide her own leaders from among her own people.

### III. THE COMMITTEE STAGE: ITS UNREALITY

IT is not our intention here to give an account of the discussions which have taken place in committee, or to examine the effect of the clauses which have already passed through this ordeal. There are, however, several points in connexion with these debates which it may be useful to record, and of these the most obvious, though not the most important, is the party aspect. Almost for the first time in the present Parliament the Opposition attack has been more effective than the Government defence. The Unionists are in much better fettle than was the case when the House rose in August. They are pleased with the results of the recent by-elections, and with the trend of public opinion as they conceive it to be; and they are also pleased with themselves and with their leader. Mr Bonar Law's participation in the committee debates has been very effective from a party point of view. He has inspirited his followers and has succeeded in provoking his opponents not a little. His utterances have been distinguished by a total absence of hesitation and obscurity. They have always been direct and consistent, and though they have excited disapprobation in many quarters they have undoubtedly succeeded in interesting people outside the walls of the House of Commons to an unusual extent.

The following quotation from *The Daily Herald*\* is worth

\*October 25, 1912.



## United Kingdom

giving as the impression produced by the recent debates in committee upon an intelligent and detached observer, belonging to the extreme wing of the Labour Party:

Judged on the basis of the scenes which have taken place in the House since the recess, there is a great deal more vitality and fighting interest in the opposition to Home Rule than in all its supporters put together . . . (*after instances given*) . . .

I set this down as a part of the wild, extravagant Unionist case which is being made day after day in the House of Commons—and is practically unanswered from the Ministerial side. There are a dozen fresh points of this character each day. And not once has a day closed but the Opposition has had the better of their Whig opponents. Both Mr Samuel and Mr Birrell interspersed their speeches to-day so frequently with apologies, with appeals for generosity, and with evasive refusals to meet arguments till a later stage, that they did not receive a single solid cheer from their supporters, notwithstanding the fact that theirs was the privilege of defending one of the justest cases ever put before any Parliament.

If however we look beyond the merely party aspects of this long struggle in committee we discover a phenomenon of much graver import in the air of unreality which characterizes the whole discussion. To some extent, undoubtedly, this is due to the presence of the skeleton at the feast. It may be pleasant and decorous to argue about constitutional safeguards and the general meaning of the Bill; but with the conviction growing daily stronger in every mind that Ulster does not value at a rap all the safeguards which ingenuity can devise, and will not, upon any terms, consent to come into a Parliamentary partnership with the other regions of Ireland, it is very difficult to conduct the proceedings with verve or spirit. The Ulster issue is so big and domineering as to reduce all the other issues to pigmy proportions. What is the good of discussing them at all while the main thing remains unsettled; or, as many believe, when it has already been settled in an adverse sense? What are all these weary efforts, but a mere ploughing of the sands?

## The Committee Stage: Its Unreality

But this air of unreality is due to another cause besides the unyielding attitude of Ulster. It is due to the perception that the committee stage is a farce, and to a dawning consciousness that, in the case of any great and complex measure of constitutional amendment, the committee stage could never, under modern conditions, be other than a farce.

This consideration is not put forward as a party criticism. It is not suggested for a moment that the Government is to blame for this farce which is now being enacted amid the suitable obscurity of the fogs of November. The Government has no alternative, even in the case of a constitutional amendment. If the Government did not resort to the most stringent use of the Closure it would make itself responsible for an even greater farce; for in that case it would never reach an end of its labours.

An amendment of the constitution is a thing which is intended to stand four-square for generations to come. It is not like an ordinary act of legislation which may be set right with comparative ease by subsequent alterations. The constitution is one of the fundamentals. If it wants firmness and certainty, there is disturbance throughout the whole fabric. This is obvious even to the lightest mind that ever made personal capital out of the party game, or that ever burned the great logs for the sale of the ashes. And if a great constitutional change is to stand, and is not to run the risk of being pulled about by the next set of architects who are called in, the laying of it must be carried out with the utmost degree of care and judgment. The consideration given must be patient and exhaustive. Everything which has a real bearing on the matter must be taken into account. Only in such a way will the end be attained which every patriotic citizen and every sane man knows in his heart to be necessary for the safety of the state.

There is not the least advantage in disguising the fact that such a method of procedure is quite impossible in the



## United Kingdom

House of Commons—an assembly which is so continuously beaten upon by publicity, which is ranged by the party organizers in unbreakable battalions, and which exists not to consider, but to debate.

On every clause of the Home Rule Bill which has yet gone through, there have been a large number of amendments, raising points well worthy of careful examination, which have never had a single moment's consideration given to them. We are not now alluding to the common herd of flippancies, ingenious trivialities, and obstructive devices which are put down as amendments by the alert juniors of the Opposition, but to amendments of real substance. Nor is it generally realized that a considerable number of the clauses themselves have never been discussed at all, but have merely been voted on by obedient partisans under the management of the Whips and the operation of the guillotine. A constitution which people of all parties will loyally respect for all time cannot be made in this way.

Even those amendments which have been discussed have been discussed for the most part in the wrong temper. There is all the difference in the world between conference and debate, and it is by the former of these two methods alone that a lasting constitution can be made, or fundamentally changed, without resort to war. Not the least of the reasons why the Act of Union between Great Britain and Ireland has from the beginning failed to draw support from a universal loyalty is that it was never fairly and exhaustively considered. This lamentable error we appear now to be upon the point of repeating. The spirit of conference is a desire to co-operate in framing some scheme which will go to the utmost lengths which are practicable towards meeting the most widely divergent views. But in parliamentary debate the guiding aim is not to co-operate or to construct anything, but merely to discredit your opponents; to turn out the Government or to damage the Opposition; to destroy the measure, or to carry it through like a victorious "totem" at the sword's point. It is not nearly



## Lord Dunraven and Compromise

so valid an objection that the time which has been allowed for consideration of the Home Rule Bill is inadequate, as that the temper, the composition, the numbers, and the discipline of the legislative assembly are such as to render it wholly unsuitable for its task; that the conditions of glaring publicity under which the House of Commons struggles wearily to perform its delicate and perplexing duties have pre-doomed all its efforts to failure.

### IV. LORD DUNRAVEN AND COMPROMISE

**I**T is probably some consciousness of these difficulties and dangers which has induced Lord Dunraven and a certain number of Unionists in the South and West of Ireland to propose a conference of Irishmen for the purpose of devising amendments of a kind which may allay the fears of the minority, without defeating the aspirations of the Nationalists. Lord Dunraven has deserved well of Ireland in times past. Land purchase which has worked great marvels owes much to his initiative. But as we regard the stubborn facts with which we have now to deal it is impossible to resist the conclusion that his efforts upon the present occasion will not succeed. It is not the time. Nor is it the kind of conference which has the smallest chance of success. Its scope is too narrow. And for those reasons it will draw little or no support from the great body of Unionist opinion in Great Britain, while it has already been scouted by practically the whole Unionist opinion of Ulster. For if a conference upon any question such as this is to have a chance, it must have enough matters of importance before it to admit of give and take. It must not be confined to a narrow issue upon which men's minds are already made up. And the difficulty here is to broaden the issue.

We have had numerous and painful experiences during

## United Kingdom

the past three years, but it is not clear that we have learned from them as much as we ought to have done. The Constitutional Conference failed because it was confined to a too narrow issue, because it would not widen the scope of its inquiry so as to take the Irish question into consideration. And Lord Dunraven's projected conference, if it should ever come into existence, will fail for a similar reason. The Irish question is incapable of settlement by itself, and can only be dealt with successfully as part of a general settlement of our constitutional differences.

The following passage, which appeared in the June number of *THE ROUND TABLE*, does not appear to us to have lost any of its force in the interval which has elapsed since it was written:

What is certain is that like all supreme national questions, Home Rule, carrying with it, as it does, a complete alteration in the constitution of the whole of the United Kingdom, can never be settled satisfactorily by the ordinary methods of party warfare. It may be said without fear of contradiction that had the federal constitutions of Canada, Australia, and South Africa been framed by one party in the State and attacked by the other, they would never have come into being. They were accepted and have been successful because, being the work of all parties, they were the symbol of a truly national settlement. In the creation of the South African constitution Britons and Boers met, not as contending parties, but as statesmen, whose one purpose was to hammer out a scheme which might be acceptable to all. The many difficulties which arose were only overcome by generous compromises on either side. But had either party framed its own constitution and attempted to impose it on the other, all hope of settlement would have gone. It is only a truly national agreement, accepted by all parties, which will afford a permanent settlement of this great problem.

London, Nov., 1912.

P.S. Since this article was written two events have happened: the first is that the Government, owing to the slack attendance of their supporters, have suffered an awkward defeat upon the financial clauses of the Home Rule Bill; the second is that the Unionists have stopped by disorder the

## Lord Dunraven and Compromise

proceedings of the House of Commons, on the grounds that the Government, in the means they are proposing to adopt for doing away the effect of their defeat, have chosen, in their haste, a course which the Speaker has acknowledged to be without a parliamentary precedent, and which the Opposition are agreed in regarding as contrary to the letter and spirit of the Constitution.



## CANADA

### I. THE NAVAL PROPOSALS

THE resignation of Hon. F. D. Monk, Minister of Public Works in the Borden Government, is a natural result of the determination to submit naval proposals to Parliament. In fact from the outset Mr Monk has held an anomalous position in the Cabinet. He was a resolute opponent of the naval policy of the Laurier Administration and was chiefly responsible for the confusion in Conservative councils over the naval issue. It is true that in some of his speeches there was a suggestion that he would support appropriations for sea defence if these were associated with a devolution of authority to the Dominions over foreign policy and even declared that in any crisis in the fortunes of the Empire he would grudge nothing that Canada could do to maintain its security and integrity. But he always insisted that any proposal to establish a navy or to contribute to the Admiralty should be subject to a referendum. It is now understood that Mr Monk is persuaded that Canada should give immediate assistance in naval defence, but insists that even an emergency contribution should be submitted for popular approval. Mr Borden, however, with the bulk of his colleagues, opposes a plebiscite in any event, while agreeing that when a permanent naval programme has been devised there shall be an appeal to the country in a general election. This, it is contended, was the policy declared by the Conservative leaders in their addresses in Parliament and from

## The Naval Proposals

the platform and affirmed by resolution in the House of Commons before they obtained office. It will be remembered that Mr Borden told Parliament that if the Conservative party came into power they would "consult with the British Government in order to ascertain whether or not the conditions existing were or were not so grave as to require immediate and effective aid." If the circumstances required such aid it would be given. If Parliament refused to concur they would appeal to the people. He added that when this immediate duty was discharged it would be necessary to develop a permanent policy and "when the permanent policy had been worked out and explained to the people of Canada it would be the right of any Government to go to the people to get them to pronounce their mandate." Some confusion arises over the fact that the Conservative party in Parliament supported a resolution introduced by Mr Monk himself for the submission of the naval programme of the Laurier Administration to the country, but it is not admitted that there ever was any intention that this submission should be by plebiscite. If this was one of those parliamentary manœuvres designed to secure an apparent unity with latitude for diverse opinions as to how the object was to be achieved it is none the less certain that Mr Borden was clearly committed to direct and immediate action by Parliament on any emergency programme. In Quebec, however, Mr Monk and his allies pledged themselves to a plebiscite, and it is because the Government will not sanction a plebiscite under any circumstances that the Minister of Public Works has resigned his portfolio. He leaves office with the goodwill of his colleagues, with his personal relations with the Prime Minister unimpaired and with the intention to oppose an emergency naval contribution only in so far as hostility may be expressed in the demand for a referendum.

As Mr Monk could hardly act otherwise under all the circumstances there is a disposition among Conservatives to respect his sincerity and to refrain from angry criticism

## Canada

of his attitude. Whether or not his action will revive nationalism in Quebec and evoke a temper in the French Province that may drive Mr Monk finally into open antagonism to the Government remains to be determined. Mr Bourassa is active and as ready to embarrass Mr Borden as ever he was to damage the Laurier Administration. A successor to Mr Monk has to be chosen and elected for a French constituency. Opposed by the Nationalists and the Liberal party this would be a serious undertaking. If, however, Mr Monk is pacific and gives any degree of support to the emergency naval proposals the Government may control the situation and even strengthen itself in the French Province. In face of the overwhelming sentiment which has developed in favour of adequate participation in naval defence no Government can safely hesitate to give effect to public opinion, and it is doubtful if Quebec, upon an issue into which neither racial nor religious considerations enter, will harden into an attitude of permanent antagonism to the English Provinces. Nothing could be more unfortunate for Canada or of less happy significance to the Empire. In all his references to Quebec Mr Borden is prudent, sympathetic and conciliatory, and evidently there is nothing he more greatly desires than the goodwill of the French Province and harmonious relations between all elements of the population secured by a faithful observance of constitutional guarantees, by the free play of opposing convictions, and the wise tolerance of opposing prejudices. Since he believes, however, that Canada should "give immediate and effective aid" in the naval defence of the Empire he has no alternative but to submit proposals to Parliament and to part, however reluctantly, with colleagues who would delay or prevent the early and adequate discharge of the obligation which rests upon the country.

It is believed that the Government's policy when it is disclosed to Parliament will provide for the construction of three Dreadnoughts which shall belong to Canada, but will constitute an integral portion of the Imperial navy. These



## The Naval Proposals

vessels will be constructed in British shipyards, and probably over a three- or four-year period. There was a desire to build in Canada, but the final judgment was against the inevitable delay and the greater cost of construction in Canadian shipyards. It may be also that in conjunction with the emergency programme the Naval Act of the Laurier Administration will be repealed and the "Niobe" and the "Rainbow" temporarily employed as fishery cruisers or in other services. The naval college at Halifax, however, will be maintained, and possibly later a second naval college will be established on the Pacific. At the session of Parliament which begins in November only the emergency proposals will be considered. Further time will be taken, and necessarily taken, to settle the details of a permanent policy. There may be further consultation with the Admiralty, as there must be fuller consideration of the demand of Canada for some measure of control over the navy in which the ships of the Dominions will be merged in time of war. There is reason to think that the representations of Mr Borden and his colleagues were sympathetically considered by British Ministers, and, notwithstanding whispers to the contrary, it may be said with absolute confidence that the Conservative Prime Minister of Canada was treated with all consideration by the Liberal Government of Great Britain, and that not a shadow of distrust or reserve rested upon their conferences.

If the Naval Act of the Laurier Administration should be repealed, and this cannot be affirmed with certainty, the action would not necessarily imply any final decision against the organization of a Canadian navy. It would be at best a political concession to the extreme critics of the Liberal policy, and possibly amongst its undesirable results would be an aggravation of domestic party feeling over an issue which many Canadian Imperialists of both parties desire to exclude from the arena of partisan conflict. At Winnipeg, at Montreal, at Toronto and elsewhere groups of men, of great influence for the most part in their respective communities,

## Canada

and representing both parties, have organized to stimulate the movement for naval defence, to urge immediate and adequate action upon Parliament, and to secure the co-operation of Ministerialists and Oppositionists in support of naval appropriations. There is no hope that they will secure complete co-operation between Sir Wilfrid Laurier and Mr Borden or that they will greatly modify party feeling if the Naval Act is repealed. But they will bring strength to the emergency proposals if these are adequate to the duty and obligation of Canada, and at least the movement reveals an intense concern for the security of the Empire, and an acute realization of the responsibilities which rest upon the over-sea Dominions.

There is no doubt that the repeal of the Naval Act will be resisted by Sir Wilfrid Laurier. He has just concluded a series of meetings throughout Ontario and Quebec in which defence of the naval policy of his Administration was the chief feature of his addresses. Over and over again he declared his adhesion to a Canadian navy, and over and over again his speeches were bitter with denunciation of "the coalition between English Jingoism and French Nationalists." To this unhappy union he ascribed the inactivity of the Government and the confusion in its councils over naval policy. While abating nothing of his rigid assertion of Canadian autonomy he did not revive the doctrine of "Colonial neutrality" nor hesitate to assert in unequivocal language the duty of Canada to assist the mother country in any time of peril. He described himself as neither an Imperialist nor an anti-Imperialist, but as a Canadian recognizing the British Empire as "the greatest force that ever existed for the rights of man in history." At one meeting he thus stated the position of the Liberal party:

By Nationalists I have been told I was traitor to my race. By Imperialists I have been told that I was a separatist. Let us as Liberals be above all such appeals to passion and prejudice. Let no Liberal take advantage of the existing situation to excite passions or prejudices. We wait for the policy of the Government and will judge it



## The Naval Proposals

on its merits, on its merits, I repeat. We will support it if right and oppose it if wrong; but the judgment shall be given upon its merit and not upon passion or prejudice. In the meantime, and while we continue to wait and wait, we stand where we have stood right along. Our policy is a Canadian Navy, built in Canada, equipped in Canada, manned in Canada, under the control of the Canadian Parliament and the Canadian people, and ready if Britain should ever be in danger.

To this may be added a remarkable utterance by Mr Lemieux. Like Mr Brodeur, former Minister of Marine and Fisheries, who now sits in the Supreme Court, Mr Lemieux has steadily asserted the duty of Canada to organize a navy, and throughout has denounced the teaching of the Nationalists with vigour and courage. Nor has he lowered his voice or watered his opinions since the Liberal party was deprived of office. Addressing a meeting in Northern Ontario, composed chiefly of French Canadians, he said:

You, my compatriots, have been told that you owed nothing to Great Britain. You have been told that Sir Wilfrid Laurier was a traitor to his race and his creed. The time has come for plain speaking. Let me tell you that in so-called Catholic countries in Portugal and Spain, yes and in France, religious orders have been expelled. Where have they taken refuge? Here in Canada, in England itself, in South Africa, in British possessions the world over, where they enjoy the fullest liberty possible. You did not know these facts, but I challenge any man to deny them. Now that you know under what benign rule we French Canadians have lived and prospered, would you still object to doing our share—a good share, yes, an enthusiastic share—not only in defence of Canada but in defence of Great Britain whenever and wherever there may be an hour of trial? Away with prejudice and misunderstanding! Away with unworthy Borden and Bourassa alliances! Away with the appeals of the Monks, the Pelletiers, and the Nantels! It would be a sad day, indeed, for French Canadians if the old mother of freedom was ever in danger. In such an hour we would do our part. We are free to do it. Nothing in the Naval Bill is compulsory. Under British rule there is no conscription. The very freedom makes for British loyalty. I ask you, my compatriots, to weigh my words and remember them, and if ever in the future you are preached at by demagogues you will know how to answer.



## Canada

There is much speculation as to whether or not Sir Wilfrid Laurier will oppose the emergency proposals. He has declared that he will give any policy submitted by the Government serious and honest consideration. He has said with impressive fervour and eloquence that he will refuse to embarrass Ministers by any appeal to racial or sectional prejudices. Indeed, apart from his energetic and very natural denunciation of the Nationalists, he has discussed the whole question with high dignity and excellent moderation. It cannot be doubted, however, that a formidable element in the Liberal party are strongly favourable to an immediate and generous contribution towards the naval strength of the Empire and that these will be restless, if they do not go into open rebellion, should the emergency proposals be opposed by their leaders in Parliament. On the other hand, while there is a very general feeling that the naval programme of the Laurier Administration was inadequate, there is a yet stronger feeling that a Canadian navy in intimate co-operation with the Admiralty must constitute the permanent policy of Canada, whether Conservatives or Liberals govern the country. There is with this a desire for actual representation in Imperial Councils, although it is freely recognized that there would be nothing of the nature of tribute in any appropriations voted or any navy established by free action of the Canadian Parliament. Nor is there any vainer apprehension than that the Dominions co-operating with the mother country in the defence of the Empire would be uninfluential in determining in any crisis in Europe or elsewhere whether peace should continue or war be declared.

# Railway Rates in the West

## II. RAILWAY RATES IN THE WEST

MANY years ago a Granger orator in Minnesota declared that he would "shake the railways over the mouth of hell." All the history of the American West is garnished with vehement attack upon the railway corporations. There has been an enormous mass of legislation designed to regulate rates, to mitigate monopoly and to increase carrying facilities. Much of this legislation was purely empirical and effective only for mischief. This is not to say that there were no grievances to be redressed, for the story of transportation in the American West reveals jobbery, rapacity and financial malpractice in every degree of audacity and obliquity.

But even there the more evil chapters ended long ago, and it can hardly be established that any similar railway grievances ever existed in the Western Provinces of Canada. There have been, it is true, discriminations, high freight charges and inadequate facilities. But for the first ten years after the Canadian Pacific Railway was completed the country was sparsely populated and local traffic correspondingly insignificant. Indeed, there is no greater achievement in railway history than that the road was successfully operated during this period. Even now the whole Western territory from Winnipeg to the Pacific contains a population only equal to that of Ontario. It is inevitable, therefore, that rates in the West should be higher than those which prevail in the older Provinces. But the inhabitant of the West complains that rates are now far too high, and are kept up in order to pay an excessive return on the capital invested. With increase of population there should be gradual reduction of these charges and eventually something like equality of rates all over the country.

In response to demands from the Western Boards of Trade the Railway Commission has entered upon an exhaustive inquiry into the charges levied in the Western Pro-

## Canada

vinces. The Boards of Trade contend that the rates should exceed those maintained in Eastern Canada only in proportion to the higher cost of operation in the West. The railways argue that rates in the East are materially affected by water competition and that the long haul through the unsettled country north of Lake Superior imposes a heavy burden upon the companies. They insist that, notwithstanding the increasing cost of labour, supplies and materials, charges have not been advanced. They say that rates in Western Canada are lower than those maintained in the more populous Western States, while the American railways are petitioning the Inter-State Commerce Commission for leave to increase freight charges.

They point out that annually huge sums are laid out in extensions, in improving road beds and in enlarging terminal facilities, and that to reduce rates below the margin of reasonable profit would impair the standing of the companies and check the inflow of capital from abroad. Thus during this year from \$75,000,000 to \$100,000,000 will be devoted to railway construction in Canada. The Canadian Pacific directors have determined to double track the main line from Winnipeg to the Rocky Mountains. They will construct a tunnel in the mountains at a cost of \$7,000,000 or \$8,000,000. At least \$5,000,000, or \$6,000,000, are engaged for terminals at Vancouver and Winnipeg. During the last ten years, as Sir Thomas Shaughnessy has reminded the country, \$200,000,000 of earnings and proceeds of stock issues have gone back into the system. It is also urged that, as the Grand Trunk and Canadian Northern transcontinental systems are still in process of construction, nothing could be more unfortunate than a reduction of rates which would impair the financial position of these enterprises in the money markets. Moreover, the West will require a continuous extension of railway mileage, of equipment and of terminals. During this year the Legislatures of Saskatchewan, Alberta and British Columbia have guaranteed the bonds of branch roads to the amount of



## Railway Rates in the West

\$90,000,000. It is essential, therefore, according to the railway interests, that capital invested in such enterprises should be generously treated and the roads protected against dangerous legislation.

Between these contentions and the demands of the West for lower freight schedules the Railway Commission must arbitrate. Fortunately it is a thoroughly judicial and responsible body. There is a very general conviction that it will not be stampeded by popular clamour nor influenced by the corporations to sanction excessive charges. But a curious situation arises as between the Canadian Pacific and its competitors. The pioneer road has overflowing revenues and enormous surpluses. It cannot be seriously affected by any reduction of rates that the Commission may order. It does not plead that the provision in its charter guarding against reduction of rates until the earnings should yield ten per cent on the capital invested is now operative. It squarely defends its charges as equitable in comparison with those of any other railways operating under similar conditions. Manifestly, however, reductions that would not materially affect the Canadian Pacific might have onerous consequences for the Grand Trunk Pacific and the Canadian Northern. Here is the supreme problem before the Commission. There is no doubt that it is of grave importance to a borrowing country that capital should be justly treated, as it is of high importance that in consideration of the natural configuration of Canada railway charges between East and West should be as low as a just regard for the security of invested capital will permit. The contention that allowing for the greater cost of operation rates in the West should be on a level with those of the East is signally influential and it is for the Commission to determine if upon this basis of comparison there should be a material reduction of charges. If we are to maintain a fiscal policy which restricts traffic to East and West courses it is in the supreme interest of the railways to conciliate the Western country by as low rates as can safely be maintained, by as efficient services as can be

## Canada

provided, and by a vigorous and continuous extension of branch lines into the newer settlements. Two years hence the Grand Trunk and Canadian Northern railways will be running through trains to the Pacific, the Hudson Bay railway will be constructed, and the Panama Canal will be open for the world's traffic. It is believed that when the canal is completed grain from as far east as Central Saskatchewan will go westward to the Pacific, while Vancouver and Prince Rupert will become ports of import for a great section of the Western country. The West, therefore, approaches an enormous increase in facilities for transportation and at least a desirable competition in services, if not a certain material reduction in freight imposts.

### III. FRENCH IN THE SCHOOLS

**I**N a previous issue of *THE ROUND TABLE* there was an explanation of the conditions which induced the Government to appoint a Commission to investigate the bi-lingual schools of Ontario. The report is now published, and substantially endorses what was alleged against the efficiency of these schools. It states that in over thirty of such schools there was teaching of the Roman Catholic catechism in violation of the school regulations; that many of the teachers had only temporary certificates, with no adequate professional training; and that in many of the schools French was used more extensively than English. More than a score of teachers in the schools investigated by the Commission had not sufficient command of English to speak the language with any degree of freedom. In short, the report showed that there was inefficient teaching, defects in grading and classification, unsuitable text-books, and a general disposition to subordinate English to French. It was also made clear, however, that in many school sections qualified teachers



## French in the Schools

could not be obtained, and that the conditions which came under condemnation arose as much through scarcity of teachers and inadequate salaries as through any design to turn the schools into nurseries of the French language.

Following upon the Report of the Commission new regulations have been devised to secure a more thorough teaching of English in the bi-lingual schools of the province. These provide that there shall be additional inspection, with supervising inspectors to ensure that the regulations are observed; that State aid shall be conditional upon the employment of teachers capable of teaching the English language; that instruction in English shall begin when a pupil enters school, and that only in the first form shall the use of French as the language of instruction and communication be sanctioned. It is also provided that additional model schools shall be established for the training of English-French teachers and that the supervising inspectors shall meet for conferences at times and places designated by the Minister of Education. It is manifest that upon the supervising inspectors depends the success or failure of the new regulations. If they discipline the local inspectors under whose lax administration the existing conditions have developed, English will be re-established in the French communities. If they overlook evasions of the law the new regulations will be as ineffective and abortive as those which they displaced.

One of the chief objects of the Congress of the French Language which assembled at Quebec two or three months ago was to affect the situation in Ontario. Amongst the delegates were Sir Wilfrid Laurier, Sir Lomer Gouin, Premier of Quebec, Mr Henri Bourassa, Mgr Stagni, Papal Ablegate, Archbishop Bruchesi and other distinguished Catholic ecclesiastics, with representatives of the Senate and House of Commons and many of the foremost teachers in Catholic Schools and Universities. The Congress was designed both as a warning to the Government of Ontario and as an appeal to the French communities. One of the most striking ad-



## Canada

dresses to the Congress was delivered by Archbishop Langevin, of Manitoba, who is the soul of the Catholic educational movement in Western Canada. He suggested that the three millions of French in North America should form a great union for the protection of their common rights and their common religion. In this, he declared, there would be no menace to the other races. Let them do likewise if they so desired. The way to have peace was to be prepared for war. He insisted that the French of Ontario had nothing to plead and nothing to discuss. They had simply to guard their rights and to say with a pride truly French and a determination truly British, "What we have we will hold." The French Canadians had reached a crisis in their history. The flood of colonists coming into the country did not know this history nor their rights as the first occupants of the soil. The flag which these colonists regarded with indifference, if not with hostility, French Canadians respected and would defend even at the price of their blood. But no one had the right to stop the French at the frontier of Quebec. They were at home in Canada wherever the British flag carried in its folds their sacred rights and the traces of their blood. To the flag they swore faith and fidelity, but demanded in return the protection of their liberties. He added, "If we have remained French it is because we have remained Catholic. It is by guarding our religion that we guard our race."

An eloquent and inspiring address was also delivered by Mr Henri Bourassa. He argued that the life and unity of the French race depended upon conservation of the language, and, while admitting that the Treaty of Paris said nothing on the subject, insisted that one of the most admirable features of the British system of government was its recognition of unwritten law, and that under the constitution thus interpreted they had the clear right to speak French and conserve the language throughout Canada. Those who opposed the teaching of French in Ontario were traitors to the constitution, to their ancestors and to the country.

## French in the Schools

We have been told we are more French than Catholic. Perhaps; but, if so, it is because we know we must guard our faith. The maintenance and propagation of the French language in every province in Canada is the sole means by which the Confederation can be preserved from the evil influence, moral and political, of Americanism. The Confederation will not remain except in the measure that equality of language and race is recognized. It is time English-speaking Canadians opened their eyes to the danger from the invasion of American ideas, habits and mentality. Quebec is more Canadian and more British than Montreal, Montreal than Toronto, Toronto than Winnipeg. The reason the cities of the east were protected was the conservation of their language and habits, which, as well, kept out the influence of Americans. If you Anglicize French-Canadians they will not become British, they will become American. At present they love British institutions, but the moment you destroy their identity by destroying their language the majority of French-Canadians would rather throw in their lot with the million and a half French-Canadians in the States than remain under the British Government. This would not be the case with myself, for I prefer British institutions and British rule, but it will be so with the majority.

A few other sentences from various speakers will be enough to show the temper and purpose of the Congress. "The French language," said Sir Joseph Dubuc, of Manitoba, "is, with the Catholic religion and the love of our country, the most sacred heritage which we have received from our forefathers. The French Canadians," he added, "are as much attached to the British flag as were their fathers who defended it against the revolts of New England." Sir François Langelies, Lieutenant-Governor of Quebec, said: "Those who have pretended that we wish to disembarass ourselves of British domination do not know us, and are ignorant of the teaching of history." They recognized that in this country English was indispensable, and it had never entered their minds to banish it from their schools and colleges. Senator Belcourt, President of the French Educational Association of Ontario, said:

The scorners of our language, those who would assimilate us by methods insidious and cynically brutal, do their work in the province



## Canada

of Ontario as they do in the United States. That means that the survival of the French language in Ontario will be at the price of a fight which must be continued every instant, calling for great sacrifices of money and of time, and an irresistible determination to speak French, and to make our children speak it. The Educational Association will help greatly, no doubt, in this fight as long as it is awake and vigilant, and directed with prudence and discernment. Let its claims and demands be made without noise and provocation. It should, while respecting always the authority of the Church, insist by legitimate means on obtaining the abandonment, final and complete, of the system of assimilation practised nearly everywhere in Ontario, above all, by the majority of priests of the English language. It should try to dissipate the indifference, at least apparent, which the Vatican seems to show in regard to our language.

The natural augmentation of our population and the emigration from Quebec to Ontario will be a great assistance in the fight. Our political influence will aid us, no doubt, but it is well to let the thought penetrate into our minds that we must depend on ourselves alone. It will be in vain for us to appeal to the province of Quebec. As a great journal of Ontario said recently: "It is not a question of generosity, it is a question of law."

The use of French in the schools of Ontario is not sanctioned by the Constitution or by the law. It is simply tolerated until it can be made to disappear, if that is possible. The recent decisions of the Government of Ontario show this, unhappily, too clearly, and this in spite of what the Commission said to us in its report, which was, after all, merely an unconscious apology, I believe, for the English-French schools.

It is undeniable that the ostracism of the French Canadian in Ontario is almost general. The attempt of 250,000 French-Canadians in Ontario, who do not wish their language to disappear, and who are ready to make a constant fight to prevent it at whatever cost to themselves, instead of provoking admiration seems to have awakened the animosity of a great part of the population of the province. If we cannot count on the moral and material support of our brothers in the province of Quebec, I believe that the decline of the French language in Ontario will be the sure result. That is the message which in the name of my compatriots in Ontario I am charged to give to this Congress.

The resolutions adopted by the Congress provided (1) that French-speaking people in Quebec and the United States contemplating migration should be encouraged to go to the west and group themselves in colonies; (2) that



## French in the Schools

there should be a closer bond of union established between the French of Quebec and those of Ontario, the west and the Maritime provinces; (3) that all pupils of French schools in America should pray for the continuance and improvement of French schools in Ontario, that all children of the French schools should recite every day an Ave, followed by an invocation to the Sacred Heart of Jesus for the safeguard of the bi-lingual schools of America, and that in all such schools an image or a statue of the Sacred Heart should occupy a place of honour; (4) that the French Press of America should protest against the reduction of French in the primary schools of Ontario and against double inspection by English and French-Canadian inspectors; (5) that the French-Canadians of Alberta should demand greater rights for their language in the bi-lingual schools of that province; (6) that wherever bi-lingual schools are established the language of the majority should be the vehicular language through which the other language should be studied, and that it should be optional with the pupils to write examinations in their mother tongue or not; and (7) that the teaching of English in the schools of Quebec should be improved and a special effort made to improve the pronunciation of English by French-speaking pupils. Finally, a Committee was appointed to guard the legal rights of the French language in Canada, to oversee all legislation affecting the language, to ensure that rights now held are maintained or re-established, and to make the rights of the language known to all people of French origin in the United States and Canada.

It is manifest that the conclusions of the Congress have social and political significance. Out of the 106 constituencies into which the province of Ontario is divided for legislative purposes, twenty-two contain a French majority or an influential French minority. In 90 of the 221 federal constituencies the French vote is equally powerful. In the next Parliament, however, the west will have twenty additional representatives, and in few, if any, of the new

## Canada

constituencies will the French element be considerable. Hence the movement to direct French migration to Manitoba, Saskatchewan and Alberta, and the appeal to the French to unite in defence of their language and religion. As with the increase of northern and western representation in Congress the south united to maintain its relative influence in the councils of the American Union, so the French of Canada become anxious over the increasing political power of the western provinces in the Canadian confederation. A relative decline of French influence in Parliament seems to be inevitable. But that the Roman Catholic Church will become less powerful is not so certain. It has an immense body of adherents among the new settlers in the western provinces and, apart from the acute friction between the Irish and French elements within its own communion, no menace to its strength and solidity is apparent. In the English provinces of Canada French has been unwisely neglected. It is something of a discredit to English Canadians, and a grave hindrance to political unity, that so few of these can speak to the people of Quebec in their own language. There is both wisdom and patriotism in the suggestion that French should be compulsory in the high schools, colleges and universities of the English provinces but, as on this continent ignorance of English impairs the efficiency of the worker in every avocation, to neglect English in the common schools is to handicap the children and often to subject French Canadians to an unequal competition with their English-speaking fellows.

In many of the French school sections of Ontario, there is an incipient agitation against the new regulations formulated by the Provincial Government. It is contended that since the supervising Inspectors will necessarily be English and Protestant, the religious faith of Roman Catholics may be endangered while the regulations in themselves reduce the French language to a position of inferiority. This opposition, which began with the Separate School Board of Ottawa, is supported by the French

## French in the Schools

Educational Association of Ontario and approved by the Permanent Committee of the Congress of the French Language. The permanent Committee, like the Educational Association, condemns the legislation and counsels resistance to its enforcement. There is reason to believe, however, that many of the Catholic Bishops doubt the wisdom of this attitude, while it is certain that the Provincial Government designs no attack upon the faith of Roman Catholics or seeks to set any mark of inferiority upon the French language. In actual experience the exact value of the regulations will be established and at least the notion that any covert or sinister purpose lurks behind the legislation will be disproved.

Canada, Oct., 1912.



# AUSTRALIA

## I. STRIKES AND LEGISLATION

TO the Australian who is sympathetically interested in the great industrial upheavals which Great Britain has lately been experiencing there is a certain grim humour about the way in which his country seems sometimes to be extolled as a temple of inviolable industrial peace. We read magazine articles or political speeches in which it is assumed that Australasia by bold legislative experiment has found a satisfactory solution of most, if not all, the problems which are likely to arise in connexion with organized industry. The clauses in Commonwealth and State Acts of Parliament which forbid, under heavy penalty, anything in the nature of a strike or lock-out are assumed to have been as effective as they are definite, and the suggestion is made that only an unreasonable conservatism and individualism prevents the Mother Country from following the successful example of her daughter Dominion.

It is difficult for Australians to know how far this impression is generally shared in Great Britain, but it certainly needs considerable modification in view of actual experience of the working of our Industrial legislation. It may prove—and it is certainly devoutly to be hoped—that the existence of legislative machinery for the peaceful settlement of industrial disputes will eventually lead to the entire cessation of strikes; but it is abundantly plain that this happy result is at present far from realization. The Parliament of

## Strikes and Legislation

the Commonwealth and five of the six State Parliaments have definitely enacted that strikes are illegal, but so far it has not been found possible to make these enactments effective.

It would of course be impossible in one short article to give anything approaching a complete account of Australian legislation affecting industrial disputes, and for fuller information the reader may be referred to the Memorandum on Strikes and Lock-outs presented to the English Board of Trade in February of the present year, or to the careful summary in the Commonwealth Year Book for 1911. Meantime the following brief account may suffice for our present purpose. In all the Australian States, with the exception of Queensland, Acts have been passed which declare strikes and lock-outs to be illegal, and prescribe penalties for those who engage in them or instigate others to engage in them. Industrial disputes are referred for decision to specially constituted Boards, whose awards are absolutely binding. In Western Australia the main tribunal is the Court of Arbitration, composed of a Judge of the Supreme Court, who is President of the Court, and two other members, one appointed on the nomination of the Industrial Unions of employers, and the other on that of the Industrial Unions of workers. These two members hold office for three years. In the other States the tribunals take the form of special Boards appointed to deal with particular trades, callings or industries. It may be mentioned that the difficulty of classification is one of the great weaknesses of the Wages Board system. Are you to classify workers according to the occupation of the employer whom they serve, or according to the work they actually do? Is the man who drives a grocer's cart a grocer's assistant or a carter? This is the sort of problem which the Wages Board system creates, and which at present it seems unable to solve. The general principle on which these Boards are constituted is the nomination of an equal number of representatives by employers and employed, the representatives jointly ap-

## Australia

pointing a Chairman. In 1908 the Queensland Parliament passed a Wages Board Act, based on the Victorian Act, but omitting the clauses which prohibit strikes and lock-outs. The awards of the Queensland Wages Boards are, however, binding on those concerned under heavy penalty. Besides these Acts of the State Parliaments there is also in operation an Industrial Conciliation and Arbitration Act (*vide infra*), passed by the Commonwealth Parliament in 1904, and amended in 1910, of which the significant clause in the present connexion is that providing that "No person or organization shall, on account of any industrial dispute, do anything in the nature of a lock-out or strike, or continue any lock-out or strike. Penalty One Thousand Pounds."

Australia has thus been furnished by her Commonwealth and State Parliaments with abundant legislation for securing and maintaining industrial peace; and if only practice agreed with theory in the matter, she might well be proud of the example she is able to offer to the world. But unhappily experience seems to show that the ideals represented by our Industrial Acts are at present too high to become practically effective. Of what the Wages Board system has done in raising wages and securing generally better conditions of labour, it is not within the scope of this present article to speak. "It is claimed," says the Commonwealth Year Book, "that the efficacy of the Wages Board system is proved by the increasing anxiety of the trades which have not yet been allowed to come under it, to take advantage of it, and to apply its benefits to their own conditions." But with this we are not concerned at present, though it may be noted with satisfaction in passing. Our present business is to inquire how far our legislation has been successful in preventing strikes, and in securing the peaceful settlement of disputes which would otherwise have been decided by the arbitrament of industrial war. And to this question the answer must be a gravely disappointing one.

Generally speaking, the effects of our legislation in this respect are not apparent, at least, to the ordinary eye. The



## Strikes and Legislation

prevalence of strikes in Australia has become almost a by-word. One can scarcely take up any Australian daily paper anywhere without seeing that some workers have somewhere gone out on strike about something. The tendency to secure redress of grievances by refusing to work until they are redressed goes on apparently unmodified in spite of all the elaborate machinery for preventing it, and is always present as a powerful factor in determining the relations between employers and employed. The more sinister tendency to disregard unpalatable awards made by industrial tribunals is also unmistakably in evidence, and it is apparently well nigh impossible as yet to enforce the penalties prescribed in such cases. Between July 1, 1908, the day on which the New South Wales Industrial Disputes Act came into force, and August 31, 1911, there occurred fifty-eight strikes, and in only six cases were prosecutions made under the Act. Similar experiences of the ineffectiveness of the Wages Board Acts to prevent strikes, and of the impracticability of enforcing the penal clauses are recorded in other States.

The operation of the Commonwealth Arbitration Act is confined to disputes extending beyond the limits of any one State, and hence the cases in which the Court has jurisdiction are limited in number. In the direction of peacefully settling actual or impending industrial disputes the Act may have done useful work, but the possibility of enforcing the penal clauses dealing with strikes and lock-outs, which are absolutely forbidden under the Act, remains yet to be proven. No strikes or lock-outs have been officially recognized as contravening the provisions of the Act during the eight years during which it has been in force. But the experience of New South Wales under a similar Industrial Arbitration Act passed by the State Parliament in 1901 and in operation till June 30, 1908, is worth mentioning. During the operation of the Act the number of strikes in New South Wales increased from two in 1901 to fifty-two in 1907, and thirty-three during the first three months of 1908; and there were thirteen instances in which awards of

## Australia

the Court were repudiated by those upon whom they were legally binding. The attitude, moreover, of the Brisbane Strike Committee to the Commonwealth Arbitration Court during the General Strike which occurred early in the present year was certainly disquieting. A description of the strike and of the work of the Government in dealing with it has already appeared in *THE ROUND TABLE* and need not be repeated. But one point which deserves notice in the present connexion is that the strike took place about a matter which had been officially referred to the Arbitration Court.

It must be reiterated that the present object is not to criticize the general effects of Australian industrial legislation upon the conditions of industry. Certainly for the worker those conditions are extraordinarily good compared with conditions elsewhere. Probably in no country in the world do the general mass of the employed work for fewer hours, or get more pay and more holidays. Labour in Australia has fought and won many battles, and is now enjoying the fruits of its victories. All that is asserted is that we in Australia cannot claim as yet to have devised legislative expedients which will either prevent men from striking if they so desire, or punish them effectively when they do.

But if experience does not encourage us to believe in the efficacy of legislation to prevent strikes, another factor, which makes strongly for industrial peace, is showing itself with unmistakable plainness in Australia. That factor is public opinion, whose operation can be more readily observed, and whose influence can be more directly exerted in our comparatively small community than in the vast and complicated societies of the old world. This factor was most plainly to be discerned in the Brisbane strike. There were unmistakable signs that limits had been reached. It was made clear in the first place that there was a limit to the patience of the unionists themselves. A general strike can only be effective so long as the men called out are willing to obey their leaders and to suppress entirely their own



## Strikes and Legislation

inclinations. And at first this was undoubtedly the case in Brisbane. There were certainly many unionists who doubted the wisdom of the strike policy, but they loyally suppressed their own convictions, and the leaders were probably not exaggerating when they claimed during the first few days that the strikers were solid and unanimous. But as the days went on a leakage set in. By twos and threes and afterwards in large numbers men returned to their occupations, and in some instances severed their connexion with the unions which had called them out. And gradually, without any avowed alteration in the policy of the leaders, the trade of the city resumed to all outward seeming its normal course. This indicated beyond all doubt that the leaders of the Australian Labour Federation could not rely upon the workers as a whole being willing to support indefinitely the cause of a particular union; and it indicated further that a general strike—the last card which federated unionism has to play—had in practice proved ineffective. In the second place, it was shown with equal clearness that there is a limit to the patience of the employers. The power of the unions to cause a dislocation of trade, and the tremendous inconveniences and losses which such a dislocation causes, are so obvious that hitherto employers have generally tended to yield to the demands of their employees rather than risk a prolonged strike. But in the Brisbane strike the employers presented a united and uncompromising resistance to the strikers' demands. They even refused to confer with the strike leaders with a view to the termination of hostilities, and they were even strong enough to maintain this attitude to the end; for the strike eventually collapsed without the concession on their part of a single point. But thirdly—and most significant of all—the strike showed that there is a very clear limit to the patience of the general public. When it began Brisbane was for a time surprised into a sort of passive acceptance of the situation. It was taken almost for granted that the strike leaders controlled the situation and could dictate what terms they liked to the community.



## Australia

But this only lasted a few days, and directly the full extent of the inconvenience was realized the determination that it should cease became unmistakably apparent. And when the Government decided upon drastic action it had behind it the full force of public opinion. This was perhaps most clearly shown by the fact that directly it was known that their services would be welcomed, special constables volunteered in overwhelming numbers, detachments of mounted men being easily mobilized in every country district within reasonable reach of Brisbane. The attitude of the *Sydney Bulletin* was also most highly significant. No one who knows that paper can suspect it of undue bias towards capitalism or individualism, and yet its attitude towards the Brisbane strike was from the very first one of uncompromising hostility. In characteristically direct and picturesque phrases it denounced the whole enterprise, its policy and its leaders: it prophesied the complete failure of the strike and consequent disaster for the Queensland Labour Party. Both these prophecies have been fulfilled. Even more striking was the attitude of some of the Labour organs themselves. This is what the *Waterside Workers Gazette*, the official organ of the Waterside Workers' Federation, said of the strike:

Its leaders and spokesmen, by their errors, excesses, recklessness and ambition, are bringing dishonour to the party, and compromising the cause by causing a disaster to Unionism in Brisbane. Their excess of fanaticism was not even excusable, as the Court granted the trammens the laudable object for which they asked. They swept away the constitutional methods of obtaining their demands, and, as the result of their methods, they lost prestige, lost the strike, and caused endless pain and suffering. Their very first step was to cut off all food supplies, and, to prove the fallacy of the argument of the leaders, the very next day, when the pinch of hunger was felt, they themselves immediately withdrew their mighty ordinance in this regard, proving, beyond the shadow of a doubt, that the worker cannot live without food, even if he can live without money. The Brisbane strike ended, like all other strikes, in disaster. While constitutional methods gave more than brute force could effect, mob rule, or martial law enunciated by strike committees, cannot do any good.

## Strikes and Legislation

But, after all, the ballot box affords the surest indication of the trend of public opinion, and at two State elections (those of South Australia and Queensland) the electors have shown that they are not prepared to acquiesce in the penalizing of the whole community in order to secure an advantage, or the removal of a disadvantage, for a section of the population. Adelaide, like Brisbane, suffered from a strike of a general nature in 1910-1911. A Labour Government was in power, and did not enforce the penal clauses of the State Industrial legislation. The community was therefore compelled to accept the situation and to wait until it was able to make its opinion felt. That opportunity occurred on February 10 last, when the State elections were held. The result was decisive and unmistakable. The Liberals were placed in power with a three to two majority in the Lower House, and a two to one majority in the Upper House.

This result was announced during the Brisbane strike, and must have influenced opinion there. The Queensland elections were held on April 27. They were fought solely on the strike issue. The Liberals went to the country on the platform of Constitutional Government against anarchy, and the Labour party appealed to Queensland to answer "the bullets of the police by the ballots of the people." This phrase did not quite correspond with the facts, since no bullets had been used, but the opportunity for an epigram was too enticing to be lost. Mr Fisher, the Federal Prime Minister, came up specially from Melbourne to assist the Labour party, and unusual activity was displayed generally. The result was scarcely less decisive than that in South Australia. The last session of Parliament had left Mr Denham's Liberal Government in a distinctly precarious position. It had not commanded the confidence of the country to any marked degree, and it had provoked a considerable measure of hostility and had alienated many of its supporters by a Liquor Bill, which had also caused an open disagreement with the Upper House. There were



## Australia

not wanting in the ranks of Ministerial supporters those who foretold that the elections would see the downfall of the Government. But the strike wiped out whatever account there was against the Government and falsified all the prophecies. Mr Denham claimed that his Government had saved the State from anarchy and despotism. The purely negative policy of anti-socialism became for once a tangible and desirable thing. The electors were asked to choose between those who had sought to tyrannize over the community and to dictate the terms upon which it was to eat its daily bread, and those who had frustrated this endeavour. The result was the return of the Government to power with an increased majority, and the appearance of several hitherto "independent" members as definite supporters of the Government; while the Labour party, in place of achieving the sweeping victory which had been anticipated, suffered the loss of two seats. Though the Queensland Labour party sought to minimize this result, Labour sympathizers in other parts of Australia were under no illusion as to its significance. Mr Griffiths, the New South Wales Minister for Works in Mr McGowan's Labour Government, in speaking of the Queensland elections, said:

If a section of the community declares war against the general public and tries to starve it out, it is only natural to expect that when the opportunity comes, the public will hit back. That is what has happened both in South Australia and Queensland. Only let the strike promoters get to work and organize a general strike in Sydney just prior to the next general election, and our party will get rubbed out, but not otherwise. The best thought in the Labour movement regards the strike as a barbarous and obsolete weapon, and the public resents its reintroduction, just as it would resent the reintroduction of the feudal system, or trial by torture, or any institution which did service in the past, but which has been superseded by more civilized methods.

Here, then, is an element of hope—hope that a day of greater industrial peace is dawning in Australia. The continuance of strikes depends not merely upon the willingness



## Strikes and Legislation

of unionists to use a method of gaining their ends which penalizes the community, but also on the willingness of the community to be penalized. And on both sides it seems that the willingness is diminishing. On the one hand a strong section of opinion in the Labour party is realizing that the commercial dislocation which necessarily follows a strike reacts on the strikers as well as on the rest of the community; and further that the tendency of the community to "hit back" through the polling booths is a fact to be reckoned with. And on the other hand the general public is showing signs of an increasing restiveness under the policy of federated unionism, the success of whose campaigns depends upon the securing of at least a measure of sympathy from the average citizen. This sympathy it is perhaps becoming increasingly difficult to secure. In England the conditions of labour may still need considerable amelioration before they represent what the average man considers to be a fair thing, and consequently the appeal *ad misericordiam* may still be an effective factor in industrial warfare. But in Australia this factor no longer operates. In a country where a carpenter can earn eleven shillings for a day of eight hours, and a wharf lumper can earn five pounds or more a week, the workers can scarcely expect the sympathy which is extended to the downtrodden and oppressed. Labour in Australia can scarcely be regarded as lying prostrate beneath the heel of the capitalist; rather does it stand erect, flushed with victory, and able to make bargains with the capitalist on equal terms. It seems reasonable therefore, to expect that the general public will come to insist that its bargaining shall be done peacefully, and not by the method of vast industrial upheavals.

It would, however, be idle to disguise the fact that another large, and at least equally influential, section of the Labour party think otherwise. Many Labour organs in Australia still proclaim the helplessness of the worker, and declare that nothing but the complete reconstruction of society can bring him true relief. As Brisbane and Adelaide have

## Australia

lately shown us, the Syndicalist element in the party is only too ready to proclaim its views and is able to find followers to carry them into effect. And the question for the future is which element is going to prevail. That question only the future can answer, but recent experience has at least given us some grounds for hoping that the moderate element will win the day. If this result is secured it will probably mean a great accession of political strength to the Labour party. For, apart from its methods, the ideals and standpoint of that party commend themselves to a large number of Australians who do not care to ticket themselves by any party name.

## II. THE POLITICAL PARTIES

THE Labour party has many solid advantages over its opponents. Its increasing strength and prominence has had the salutary effect of simplifying the issues of Australian Federal and State politics by reducing the struggle to one which is frankly between Socialists and anti-Socialists, and the realization of the great issues at stake is killing the tendency towards forming third parties which has been such a confusing element in Australian political life. But the fusion of Labour's opponents into one party has a distinctly prejudicial effect in at least two ways. In the first place it means that the Liberal party thus formed has a real difficulty in framing a platform which will be at once congenial to all its own constituent elements and attractive to the electors. The Liberal parties in the Federal and State Parliaments are composed of elements which were formerly at war one with another, and consequently can only unite upon a legislative programme from which the main controversial issues—which are the only really interesting issues—have been eliminated. A striking instance



## The Political Parties

of this is to be found in the proposal made by the Australian Liberal Union at its recent session in Melbourne that the Fusion party in the Federal Parliament should frankly "side-track" the Protection versus Free-trade controversy by referring the question of tariffs to an independent extra-Parliamentary Board with practically plenary powers. Such a suggestion is a confession of weakness, and a programme framed on the lines which it indicates is bound to be flavourless and ineffective. On this subject a prominent Victorian Liberal, Mr W. H. Irvine, has lately said some plain and unpalatable words:

He was not averse [he said] to fighting in any just cause, but he found nothing in this platform (i.e. the platform proposed by the Australian Liberal Union) to arouse martial enthusiasm in the most bellicose breast. The fighting programme appeared to have been arrived at by the simple process of elimination, by the taking out of it of anything that could offend the susceptibilities of anyone. All the bones had been carefully removed, and nothing left but a kind of gelatinous compound, political food for infants and invalids, warranted not to cause the slightest inconvenience to the weakest digestion.

It may be said that this criticism is a biased and exaggerated one, but the fact that it can be seriously made by one who claims the name of Liberal must obviously be a very great disadvantage to the Liberal party.

In the second place the simplifying of the Australian political issues has left the opponents of Labour in a largely negative position, and with the extremely unsatisfactory name of "Anti-Socialist," a name which leaves us in doubt not merely as to what policy those who bear it advocate but actually as to what policy they oppose, for Socialism is a mere abstraction which includes many political tendencies generally admitted to be desirable. Thus the tendency to substitute public for private control of industries, and to limit private enterprise in the public interest, is a factor which enters into the political life of every nation and is illustrated by numerous laws whose



## Australia

utility no one dreams of questioning. Certainly the Labour party has here a great advantage.

The Labour programme, whatever its demerits, has the one great merit of being positive and unmistakable. The many separate "planks" of its platform are, most of them, highly disputable, but there can be little doubt as to what any of them mean. The Labour party is thus able to claim, not unjustly, that it is the one party with a really positive programme to put before the country. And it so happens that circumstances have conspired to give the Labour party the command of some of the best political cries available. The policy of an Australian navy and of a scheme of compulsory service for national defence was only partly of their devising; but the inauguration of both policies will be connected in the public mind with Mr Fisher's Government more than with any other. The Labour Government has moreover had the courage to attack decisively at least two big national questions, the settlement of which was long overdue. Other Governments had discussed the question of a Federal Capital, but had been deterred from action by the difficulty of deciding between the rival sites. Mr Fisher's Government has chosen a site, and has called for designs for the Capital city. Again, other Governments have discussed the project of linking up the capitals of Australia by building a railway to connect Perth and Adelaide, but have shrunk from action in face of the difficulties with which the question bristles. Mr Fisher's Government has actually concluded arrangements for the building of the line. This feat alone constitutes a big claim upon the public gratitude. And—most important of all—the Labour party claims, whether rightly or wrongly, to be the champion of the growing national consciousness in Australia. It pleads that Australia should be regarded as one country, and not as a collection of separate States whose interests can be treated as independent of the interests of the whole. It may seem a small thing to mention in this connexion, but it is still part of a

## The Political Parties

deliberate policy, that Mr Fisher's Government has decided to abolish the State postage stamps and to substitute one Commonwealth stamp to be used throughout Australia. This national policy was brought to a sharp focus in the recent Referenda proposals. The decisive majorities by which those proposals were rejected indicated that they were at least premature. But they had the effect of forcing the Liberal party into adopting a strong "State-rights" policy, and the history of other Federations suggests that this is not the policy which will ultimately prevail. It is certainly the opinion of many who view Australian politics from a detached non-party standpoint that the future of Australia depends upon the extent to which the interests of the whole, and not the interests of its parts, come to be recognized as primary. On general grounds the position of the Labour party—apart from the Syndicalist methods from which it cannot at present be dissociated—is thus a strong one, and one which carries with it a considerable power of appeal.

The results of the Tasmanian elections are perhaps suggestive as supporting this view. The island is far enough removed from the main stream of Australian life to be able to form a detached judgment upon the issues submitted to it, and hence its political decisions have a value and interest which is peculiarly their own. Moreover Tasmania at its State elections uses an elaborate system of preferential voting, by which it is claimed that the opinion of the electors is ascertained more perfectly than by any other method of election. Hence it is not without significance that the Labour cause made a distinct advance at the Tasmanian elections last April.

Labour's gain, it is true, was only a gain of two seats, but this is capable of making a considerable difference in a House of only forty members, and, as a matter of fact, reduced the Liberal Government's majority to the bare margin of two in place of the comparatively safe majority of six which it had secured at the 1909 elections. The Labour press



## Australia

has been jubilant over this result, and has claimed that it atones for the reverse in South Australia and the set-back in Queensland. The turn-over of two seats seems a somewhat slight foundation upon which to build such a claim, but at least it may be taken as indicating that, where the contest is a straight contest between the programmes of the two parties, and is not complicated by the memories of Syndicalist excesses, the Labour cause shows a tendency to gain votes rather than repel them.

If, then, the foregoing analysis of the political situation is in any wise correct, it would seem that Australian Liberalism is faced with a serious dilemma. On the one hand its most potent appeal to the electors is the anti-Syndicalist appeal, in which it can pose as the champion of popular rights against the tyrannies and usurpations of organized labour. The elections in South Australia and Queensland seem to show that this appeal carries with it a strong probability of success. But the attitude of many of the Labour leaders, and of at least a very influential section of the Labour press, shows that this appeal is not without its effect on the Labour party itself. Some prominent Labour politicians themselves are realizing that the extremist element in their party is the greatest obstacle to the party's success, and are seeking to dissociate the party from the methods of this element. It is possible that in this they will be successful, and that the Labour party will eventually discard the extremists as unworthy and discredited agents.

And if that comes about, it seems fairly safe to prophesy that the Labour cause will attract to itself much support which has hitherto been withheld from it. There seems thus a real chance of the fruits of the Liberal success being reaped, not by the Liberals, but by their Labour opponents, since the Labour party will gain in influence in proportion as the Liberals succeed in their campaign against the methods of militant trades unionism. It must not indeed be supposed that the disappearance of extremist methods would necessarily make the Labour programme



## Current Politics

entirely acceptable to those who now oppose it. There would still remain many tendencies which would at least cause anxiety amongst thoughtful men. The doctrine of "Preference for Unionists," which is one of the recognized planks in the platform of the Federal Labour party, is one which will not easily commend itself to those who believe personal freedom to be the inherent right of every man, be he employer or employed. And it is certainly difficult to believe that the Labour programme could ever be generally satisfactory so long as the party continues to depend upon a carefully fostered "class consciousness" as the main motive-power of its actions.

### III. CURRENT POLITICS

THE latest Budget, presented to the House of Representatives by Mr Fisher, emphasizes the fact that payment is exacted for every step towards nationhood. The figures involved exhibit a striking expansion as compared with those of a few years ago. A number of our publicists seem much alarmed at the rapid growth of expenditure, but when the various items are examined there is little ground for pessimism. "You cannot make omelettes without breaking eggs," and we cannot inaugurate and carry through real defence schemes and at the same time meet other national obligations without finding the money. The greatest jump in expenditure is shown in the defence estimates, which have grown from a million five years ago to five and a half millions this year. This is partly due to the adoption of compulsory training, but more largely to the construction of the naval unit, on which latter account £1,300,000 is to be spent during this year. Then local defence works and military stores, on which in 1908-9 only £100,000 were spent, this year account for over £550,000. Naval works

## Australia

show an increase of over £200,000 for the same period. The taking over of the Northern Territory, involving payment of interest on old loans contracted by the South Australian Government in addition to providing for development, increases the expenditure by nearly £400,000 annually. Old-age and invalid pensions show an increase during five years of about a million, while the proposed maternity allowance (or baby bonus) will cost another £400,000. It is probably true, as contended by the Opposition, that some of the items included in this £20,000,000 Budget are not justified; but on practically all the items indicated above the Ministry has behind it the full strength of public opinion. A feature which should give some comfort to even the most inveterate grumbler is that these large commitments are being met out of revenue. Except for the purchase of land and the erection of the High Commissioner's office in London, and the redemption of some Northern Territory loans raised by the South Australian Government, the Federal Government has so far refrained from borrowing. Despite this self-restraint, it has since the beginning of the Commonwealth already spent over £10,000,000 on new works and buildings, and this year similar expenditure accounts for another £4,000,000. By the end of the current financial year nearly £6,000,000 will have been spent in this way on the Post-office and £7,700,000 on defence works, including £3,850,000 for the naval unit. It will thus be seen that the Australian Government has not only lived within its income, but has in some respects added to its capital. The Labour party was the first to object (in 1902) to entering upon a borrowing policy, and it deserves credit for the fact that to-day there is practically no Commonwealth public debt. So far this is satisfactory, but what of the future? The fleet unit is estimated to cost altogether £4,250,000, and including this year's estimates £3,850,000 of this has already been provided, leaving only about £500,000 to be found next year. There follows the more complete scheme put forward by Admiral Henderson and adopted in principle



## Current Politics

by the Ministry. This will prevent any material reduction in the amount required for naval construction for some years to come, and the Labour party insists that such expenditures must be met from revenue, which seems a sound proposition. But other large increases of expenditure are inevitable on propositions already agreed to and each justifiable in itself. Thus the trans-continental railway just started will involve about £5,000,000, and the Federal capital territory will probably be resumed at a large cost. With this prospect ahead it seems clear that the Government must resort to borrowing, at least to cover railway works and land resumptions. The doubts expressed by some politicians as to the financial prospects of the Commonwealth are probably not more than are to be expected from members of Parliament who sit on the Opposition benches; but, as a matter of fact, the finances are in an extremely healthy condition, as revenue has kept pace with expenditure. If the Commonwealth has to borrow next year, her creditors will have the satisfaction of knowing that for the first eleven years of her existence she has not only kept out of debt, but has added materially to her capital out of revenue.

An event of far-reaching importance occurred on September 16, when the Governor-General turned the first sod of the Port-Augusta-Kalgoorlie railway. This line of 1,100 miles is being constructed by the Federal Government, and will link up the continent from east to west. When completed, it will permit of continuous railway travelling from Brisbane to Fremantle, a distance of 3,500 miles, and will allow of a considerable saving of time for both passengers and mails between London and the eastern States of Australia. The commercial value of the line will be great, but of much more importance is its probable effect politically and socially. Until recently West Australia was looked upon as the Cinderella of the Australian group of colonies, but eventually a prince disguised as a gold miner discovered her charms and raised her with himself to affluence. As was



## Australia

the case in the eastern States, the success of the gold miner directed attention to other resources, and to-day West Australia is "making good" with wheat, fruit and other produce. Her population has increased rapidly of late years, mostly by immigration from the other States, and general prosperity has resulted. With all this, the Westralians have felt the isolation involved in being separated from the bulk of the Australian population by a sea journey of four or five days' duration, and have consistently agitated for railway connexion. They asserted that they were induced to accept federation through promises made by Federal leaders that the railway should be a distinctive feature of Australian policy. In any case, their persistence has at length been rewarded, and the line will soon be an accomplished fact. The country traversed has so far been thought unsuitable for settlement, but investigation for construction purposes has disclosed good supplies of water, which should render pastoral pursuits profitable over large areas. The chief value of the line to the Commonwealth, however, will be in convincing the Westralians that they are at last included in the Australian family. Sir Edmund Barton, when advocating federation, asked the people to drop parochialism and "think continentally." So far, we have not always realized that ideal, but as the trans-Australian line will establish geographical unity between widely-separated communities it will certainly foster a larger outlook.

## IV. UNIVERSAL MILITARY TRAINING

THE system of compulsory military training recently introduced is experiencing the inevitable "teething troubles." Its most enthusiastic advocates never anticipated that there would be smooth working at the start. To compel all youths physically fit to undergo so many hours' drill during

## Universal Military Training

the year must necessarily interfere to some extent with their ordinary avocations, or at least with their opportunities for indulging in sport. Quite a crop of cases have come before the courts, involving fines for failure to comply with the law, and these are being cited as indicating that the system has broken down. It is true that the Government has passed an amending law to allow the magistrates more discretion in the matter of punishment, but the modification does not in any way vitiate the principle. The fact is that these difficulties are only such as might have been expected. Not only is the idea of compulsion a novel one to our community, but the large area and scattered population of Australia naturally increases the initial difficulties of its application. The Government, moreover, was unable to find sufficient money at once to erect drill halls or even shelter sheds everywhere, and the lads have in many cases suffered some hardship as a result. A regrettable feature is that the municipal authorities, with few exceptions, turned a deaf ear to the request of the Government for the free use of existing halls. The Ministry, however, has this year put a large sum on the Estimates for expenditure on such conveniences, and gradually that cause of complaint will be removed. On the whole there is nothing in the situation seriously to discourage those responsible for the adoption of the principle. The great majority of the lads are drilling cheerfully, and there is little doubt that the people as a whole are convinced of the necessity for the system. An instance of this feeling was recently seen at Broken Hill, an important mining centre in New South Wales. It has the reputation, even among Labour supporters, of being the head centre of the extremists. These good people seem anxious that a welcome should be extended to any invader who happens to come along, and naturally object to anything which even remotely savours of "militarism." In the Miners' Union it was proposed to protest against "conscription," as opponents dub the compulsory training, but on a ballot the system was favoured by a large majority.

## Australia

According to a cable message just received, the London *Daily Chronicle* recently published an article stating that 30,000 trainees were "shirking" drill, and that there was a natural resentment among the remaining 60,000. The official figures show that out of 108,000 subject to training some 14,000, at the end of the military year (June 30), had not fully complied with the law, but about 4,000 of these have since completed their drills. Some of the balance have undertaken to complete last year's drills during this year, leaving a comparatively small percentage of actual recalctrants, who are being prosecuted. Instead of 50 per cent being "shirkers," as stated in the article, there do not seem to be more than about 5 per cent. So much for wild statements from opponents. It is not at all likely that Australia will revert to the old haphazard method of dealing with defence. The people will rather devote themselves to perfecting the compulsory system, so that all classes shall render personal service where all are so vitally interested. The sombre cast of the international horizon is having its effect in reconciling citizens generally to the idea that both men and money must be found for defence, even at considerable sacrifice.

Australia, Oct., 1912.



## SOUTH AFRICA

### I. THE RHODES MEMORIAL

THERE can be few tracts of country anywhere that breathe so much of the spirit of great adventure as the small area of vineyard, cliff and moorland, thirty miles by five, extending from Table Mountain on the North to Cape Point on the South. It is Africa in microcosm—level beds of sandstone with the granite underneath here and there elbowing its way to the surface and weathering in more or less spherical shapes. Where the sandstone is hard, as on Table Mountain, it keeps its place; where soft, it has all been washed away, but here and there outside the table-land are hard nodules which still form the top of hills fashioned, as the early Portuguese navigators reported, “like stooks of corn in the fields of Santarem.”

Here also is the place whence started one of the oldest of all quests, for at the top of False Bay they said “are openings, apparently the course of a river that the map-makers depict as very large and flowing from some lakes at the source of the Nile.” Capetown has long been known as the “Tavern of the Seas,” and through it passed all those who opened up for Europe the wonders of Asia.

On the Eastern slope of the great mountain, just out of sight of the city, but within a few hundred yards of the old outpost blockhouse from which the guard used to signal to the Castle the movements of natives on the flats that extend to the distant mountains of Hottentot Hollands, stands the

## South Africa

Rhodes Memorial, built out of the granite on which the mountain itself rests.

In form it is a great stairway, at the foot of which stands Watts's statue of "Physical Energy," the horse reined in, the rider with his right hand over his eyes gazing to the North. On either side of the stair are four pediments carrying Mr Swan's lions in bronze, and at the top a temple, with two projecting wings, containing at its centre a bust of Rhodes himself.

Simple and dignified, it stands alone upon the mountain side among the pine trees, looking to the east and along the great North road, the stairway in full light, and above it, gazing out over the flats, far beyond which the road was extended foot by foot by him, the brooding presence of the thinker who loved and served South Africa.

For those of us who knew him and have seen him in his many activities, both the place and the nature of the Memorial seem appropriate. The place because he loved it, and because there as strongly as anywhere in this Sub-Continent the call of the veld is loud in our ears. Whichever way we turn, from the breakers under Hangklip to the curve of the Blaauwberg Beach, our outlook is limited by mountains, serrated, menacing. Through them here and there are openings that call us to pass them and see for ourselves the wonders that are beyond.

There was always something tragic about Cecil Rhodes, something which set him apart from other men, something elemental. In his presence the feeling always was that he carried a burden as great as he could bear, indeed towards the end greater than he could bear, and what he asked of you was that you would in some way relieve him of the practical working details of life, and by doing so let him get back to his thoughts again.

His was a dominating, and, indeed, in his rough moments, a domineering personality. At one time you would find him gentle and most naturally courteous; at another, brutally cynical to those around him, huckstering in the market-

## The Rhodes Memorial

place, using without compunction every weapon in his armoury to crush some opposition he had met with. At one time the swoop of his imagination upon some distant and hardly visible feature of the opposition reminded one of some great bird upon the wing. At another, perhaps, his talking for days together about some trivial blunder which had annoyed him irresistibly suggested the same bird on the ground and unable to rise therefrom.

Each of these phases those about him knew well, but needless to say his power was born of the first and nourished and confirmed by the knowledge that he regarded all that he possessed as held in trust for the advancement of the race from which he sprung and the power to which he owed an undivided allegiance.

Remembering that this was the man himself, there are few things on record more tragic than the story of an evening visitor, shortly before the end, who found him alone and looking very worn and ill. After discussing some things of the moment, the conversation passed to more distant matters, and Rhodes suddenly fell silent. His visitor saw that his gaze was fixed on his wrists, where the pulse was throbbing and checking and fiercely throbbing again, and he too could say no more but silently shook his hand and left him.

There were these great contrasts in the man, but it is what was great in him that should be remembered, and it is this side of him which Mr Baker has so fitly expressed by placing the figure of the thinker apart from and above the energy that carried out his schemes, connecting the two with such fine symbols of strength and constancy. The monument has all the beauty of proportion, which is the outstanding feature of Mr Baker's work, and the style he has adopted—"Dutch-Doric," as Mr Swan used laughingly to call it—admirably fits its purpose on the mountain side.

What is left of Rhodes rests in the country that bears his name, but South Africa is fortunate that in the spot whence all her development has started, which he loved and which



## South Africa

is full of memories of him, this monument should have been erected, so symbolic of his character, so pervaded by his spirit.

### II. THE UNVEILING OF THE MEMORIAL

**E**ARL GREY unveiled the Memorial on July 5, the anniversary of Rhodes's birthday. It is perhaps unfortunate that the occasion was not made one of greater national and Imperial importance. The true significance, however, of the Memorial and of the life-work of the man whom it commemorates were impressively described in Lord Grey's speech, and we cannot do better than quote his words:

At the entrance to New York Harbour an impressive and colossal statue of Liberty greets every new immigrant who comes to swell the population of the great Republic. While liberty is the necessary foundation of a character which daily expresses itself in spontaneous fulfilment of duty, we cannot forget that to many the Statue of Liberty suggests only licence, and the liberty not to serve the State. In Canada, too, the newcomer, sailing up the noble St Lawrence River to Montreal, will shortly see silhouetted against the sky a heroic statue which is now being erected by the Government of the Dominion. It will represent the figure of a noble Canadian girl whose courage saved her home and country from destruction by the Iroquois, and will convey the idea of courage, loyalty and duty, together with the message that Canada expects every woman as well as every man to serve the State. Is it not then fitting that the newcomer to this land of sunshine and of irresistible attraction should also find waiting for him at the gate of South Africa a message—a message from Rhodes straight from his grave in the far Matoppos calling upon him for wholehearted and ungrudging service to South Africa, to the Empire, and to humanity?

But the memory of Rhodes has a wider meaning:

It stands for a great truth as well as for an inspiring ideal. . . . It was the unswerving aim of Rhodes's life to substitute the law of

## The Unveiling of the Memorial

justice, freedom and peace, the triple basis of our Christian civilization, for barbarism in the dark places of Africa, and to establish, so far as possible, permanent peace between the civilized nations of the world. The steps which were to lead to the realization of these splendid hopes were: the unity of South Africa, the unity of the British Empire, the union of the Anglo-Saxon and Celtic peoples. This faith was his inseparable companion through life—the last vision before his dying eyes, and found permanent expression in his will. But Rhodes was not merely a dreamer, a visionary enthusiast and idealist, he was much more: he was a practical idealist, a builder, a creator, who saw his means as clearly as his end.

The first step, the union of South Africa, is already achieved, although Rhodes did not live to see it. Towards the second step Lord Grey sees a definite progress:

In each of the great Dominions public opinion, animated by the impelling motives of loyalty and self-respect, as well as of self-interest, has recently moved a considerable way towards the assumption of a share in those Imperial duties which, it was felt, had too long been left to the overburdened people of the British Isles, and in the Defence Act which your Parliament has just passed I recognize and welcome, as Rhodes would have done, your desire to share the Imperial responsibilities and obligations of the Crown.

### The third step

was at all events a noble dream, and whether we share these hopes or not, standing bareheaded before this monument, our reverent homage is compelled by his large share of that faith which in the past has so often moved mountains.

South Africa, Oct., 1912.

## NEW ZEALAND

### I. THE CHANGE OF GOVERNMENT

THE anticipation expressed in the last letter from New Zealand in *THE ROUND TABLE* that the "Stop-gap" Ministry formed by Mr T. Mackenzie would be replaced by a Government headed by Mr Massey has been verified. The Reform party are not only in power, but there is every indication of their remaining there at any rate for this Parliament and probably its successor.

The party has been so long in the wilderness that at present they must find it difficult to realize that at length the direction of the country's affairs has fallen into their hands. Among the public there is a feeling almost of bewilderment, of which it is difficult to give an adequate conception to those who are not on the spot. It resembles the feeling of astonishment with which the people of Canada woke up one morning last year to find that Sir Wilfrid Laurier had fallen after fifteen years of office. In New Zealand the Liberal-Labour party have been in power for twenty-one years. Only the electors who are approaching middle age can recollect what it was like to be under another Government. The younger generation of voters have only known the continuous Ministry led successively by Mr Ballance, Mr Seddon, and Sir Joseph Ward.

The end of the Liberal-Labour Government came in dramatic fashion on the night of July 5, during the discussion of a "Want of Confidence" motion moved by Mr Massey.



## The Outlook on Imperialism

A little before midnight a private member supporting the Mackenzie Government moved the adjournment of the debate. The Opposition challenged a division, and the motion was defeated by 39 votes to 33. All knew then that the end had come. The closing scenes were marked by obvious dissension in the Government ranks. Mr Roderick McKenzie, Minister for Public Works in the Ward Ministry, who, like the other members of that Administration, was excluded when the "Stop-gap" Ministry was formed, complained of the way in which he and Mr Millar (Sir Joseph Ward's Minister for Railways) had been treated by the party. Mr Roderick McKenzie contented himself with not voting when the "Want of Confidence" amendment was put to the House. Mr Millar, however, came from a sick bed for the express purpose of voting to put out the Mackenzie Ministry, and he was joined by three other members who had supported Sir Joseph Ward, namely, Messrs Coates, Vernon Reed, and T. W. Rhodes. The fateful division took place at 4.50 a.m., when the Mackenzie Government was defeated by 8 votes, the figures being Opposition 41, Government 33.

On the following Thursday Mr Massey again met the House and was able to announce the formation of the new Ministry.\*

## II. THE OUTLOOK ON IMPERIALISM

**I**T may be said without hesitation that the new Reform Ministry is distinctly Imperialist. In the dispatch of contingents to South Africa, in increasing the contributions to the Navy and in the presentation of the Dreadnought the

\* The names of the new Ministers and their portfolios were given in a footnote to the New Zealand letter in *THE ROUND TABLE* for September, p. 764.

## New Zealand

Reform party gave the Ministry in office their support, and in the matter of the dispatch of the contingents they claim to have been chiefly instrumental in bringing Mr Seddon up to the mark. Mr Massey, it is true, objected to Sir Joseph Ward's making the offer of the Dreadnought on Ministerial authority without first consulting Parliament, but he thoroughly approved of a gift to the Royal Navy in time of peril. Mr Massey, moreover, has taken occasion to emphasize the Imperial sentiment of the Ministry, and his concurrence in the view that the time was coming when the Dominions would in some way be admitted into the Councils of the Empire, as well as take a larger share in its defence. He added that the present Government intended to join with the Governments of the other nations of the Empire in doing everything they could to strengthen the Imperial organization. There had been no hanging back in New Zealand so far as Imperial matters were concerned, and the present Government would ask the people to do their duty, in the first instance to the Imperial Navy, and then to the land defences. It is also noteworthy that Mr Allen, perhaps of all the Ministers the keenest student of Imperial affairs, holds strong views on the importance of the Pacific, and looks forward to the time when the Mother Country and the Dominions will unite in maintaining an Eastern Fleet of Empire.

It is, however, a matter for regret that so far there has been little or no reference by leading public men in New Zealand to Mr Winston Churchill's suggestion in May last that, while the Motherland should maintain the sea supremacy at the decisive point, the Daughter States should guard and patrol the rest of the Empire. Similarly, so far as is known, there has been no official reply to the intimation on the part of the Prime Minister of Australia that the Commonwealth Government was desirous of entering into closer relations with New Zealand in matters of trade and defence. The omission is no doubt due to the fact that public attention has been absorbed by local political excitement consequent

## The Outlook on Imperialism

upon the general election and two subsequent changes of Ministry.

Public opinion is no less backward, and New Zealand's reception of the speeches of Mr Churchill presents an unfortunate contrast to the reception that she gave to the great debate of three years ago. In 1909 the intensity of the excitement and sympathy occasioned by the alarming disclosures of Mr Asquith and his colleagues resulted immediately in the offer of our Dreadnought and brought the movement for compulsory military training to an unexpectedly rapid success before the end of the year. But Mr Churchill's recent speeches, though full of grave significance, have been free of any note of dramatic alarm, and they have failed to make any direct appeal to the imagination or the nerves of the public.

An opportunity, however, was offered to the Government on September 18 for declaring the faith that is in them and for giving the people a lead on one of the most momentous issues of Imperial policy. Mr A. M. Myers, who, as Minister of Defence in the Mackenzie Government, is credited with having saved the military training scheme at a very critical period, put a question to the Prime Minister in the House of Representatives on the date above mentioned in the following terms:

Whether, as there is an earnest disposition on the part of the self-governing Dominions to help to maintain the existence of the British Empire by assisting in its common defence, and as the British supremacy at sea is being seriously challenged, he does not consider that the time has arrived for New Zealand to follow the lead of Canada and ask that a member of the New Zealand Cabinet should have a seat on the Imperial Defence Committee in London, and thus remain in constant personal touch with the Imperial Government?

To this question Mr Myers appended the following explanatory note:

While New Zealand's remoteness from London places it at a disadvantage with Canada in a scheme of this nature, the difficulty would



## New Zealand

be overcome by the appointment of a new Honorary Minister, to be elected by members of the House of Representatives, and to be known as "Minister of External Affairs," who could act as an alternate with the Prime Minister and Minister of Defence in attending the sittings of the Imperial Committee of Defence in London. The Minister of External Affairs could, if necessary, represent the Government on the Imperial Defence Committee while the Dominion Parliament was in session. He would be expected to stand aloof from internal and domestic troubles, and might be allowed to address both Houses, voting, however, only in the House to which he was attached. An arrangement of this kind would meet the objection that a representative of the Dominion stationed permanently in London gets out of touch with his own country, while he would at the same time have permanent representation on the Imperial Defence Committee, and thus have a continuous fund of information on the subject of external affairs and defence.

In view of the strong Imperial stand taken up by New Zealand when a number of contingents were sent to South Africa, our further action in presenting a Dreadnought to the Mother Country and placing the same unreservedly at the disposal of the Imperial authorities, it would seem fitting that we should follow up our previous actions on such momentous issues by formulating a scheme of this nature, since co-operation with the United Kingdom in matters of defence must carry with it the beginnings of an association in policy which would result in inestimable benefit to the strength of the Empire and to the general cause of peace.

Mr Massey's reply was that the matter referred to would be "taken into the serious consideration of the Government during the recess, with a view to submitting proposals to the House when Parliament meets again." It involves a long and disappointing wait, but in view of the difficulties of the new Government it is not perhaps unnatural. The fact, however, that all our Governments are driven by the tyranny of local issues to neglect Imperial questions provides a powerful argument for the suggestion of Mr Myers that a special Minister of External Affairs shall be appointed. Not otherwise are the greatest matters of all likely to receive alteration except occasionally and spasmodically under the influence of some great emergency.

# Government Policy and Finance

## III. GOVERNMENT POLICY AND FINANCE

THE Hon. James Allen, the Minister for Finance, with commendable promptitude, delivered his first Budget on August 6, a week after the meeting of Parliament. It showed the revenue to be in a most buoyant condition and in keeping with the general prosperity of the Dominion. During the year ending March 31 the revenue was £11,032,544, or £633,534 more than the Estimates. The expenditure amounted to £10,604,677. The balance in the Consolidated Fund at March 31, 1912, including balance brought forward from the previous year, was £807,276, of which Mr Allen proposed to transfer £750,000 to the Public Works Fund, leaving a balance forward of £57,276. The current year's finance, so far as the Consolidated Fund is concerned, may be summarized as follows:

Balance after transfer of £750,000 to	£
Public Works Fund. . . . .	57,276
Estimated Revenue . . . . .	10,948,404
	<hr/>
	£11,005,680
Estimated Expenditure . . . . .	£10,863,068
	<hr/>
Balance available for Supplementary	
Estimates . . . . .	£142,612

As is usual in New Zealand, the Budget speech not only dealt with the finance of the Dominion, but outlined the main features of the Government's policy. One of its chief items, the reform of the Legislative Council, will be dealt with at some length elsewhere.

In the sphere of Finance the Government pledge themselves to economy of administration, and to greater caution

## New Zealand

in borrowing money, although they admit that for some years to come a reasonable amount will have to be raised on loan for development purposes. The Government also intend to increase the powers of the House in supervising public expenditure, and to introduce stricter and more orthodox public accounting. Larger powers are to be given to the Public Accounts Committee, which is selected from both sides of the House, and includes the two ex-Ministers for Finance at present in Opposition. The yearly Estimates will be submitted to the Committee, who will have authority to examine heads of departments, and generally to call for persons and papers before submitting their recommendations to the House.

According to Mr Allen, the other proposals of the Government are as follows. Land settlement is to be encouraged in a vigorous and progressive manner. The proceeds of land sales, instead of being absorbed in the Consolidated Fund, as at present, will be paid into a separate account, and used for the purchase of more land for settlement. The Public Service is to be reformed by removing it from political influence, and placing appointments and promotions under the control of a non-political board. A first-class railway expert is to be engaged in England for the position of General Manager for the New Zealand railways. The system of borrowing money on short-dated debentures is to be revised, and the Finance Minister is expected to visit England at an early date to make arrangements for the conversion of those already in existence. Amendments are also to be proposed in the Conciliation and Arbitration Act, the most important being a provision for a secret ballot to be taken for the decision of important questions by industrial unions of workers or by employers' associations. The Defence Act will be amended by substituting military detention for imprisonment in the ordinary gaols in connexion with non-registration.

No alteration in taxation is to be proposed at present, with one exception—a proposed increase in the Graduated



## Reform of the Legislative Council

Land Tax on estates over £30,000 unimproved value. This was unexpected, because it had been a favourite charge of his opponents that Mr Massey was the friend of the large land-owners.

### IV. REFORM OF THE LEGISLATIVE COUNCIL

THE Government lost no time in bringing forward one of the leading measures in their programme, namely, a Bill for the reform of the Legislative Council. Originally, the Upper House consisted of members nominated for life, and as care was taken in the selection, the Chamber, down to about the year 1891, was conspicuous for its independence, and the ability with which large public questions were discussed and dealt with. Among its ranks were found men of culture and experience with a high sense of public duty. The result was that students of politics who wished to know what was to be said on both sides of any great question got into the habit of studying debates in the Legislative Council rather than the discussions in the Lower House.

A wave of Liberal feeling, however, began to bring the principle of nomination into disfavour, and in 1883 a Conservative Government—the Whitaker-Atkinson Administration—submitted a Bill providing for the election of a Council by the direct vote of the people in two electorates, each island being one, and the proportional system of voting being used. This was not accepted, and in 1885 Sir Frederick Whitaker introduced a Bill providing for election by a joint session of members of the Council and of the House. This was carried by the Council, but rejected by the House of Representatives.

The Liberal-Labour Administration under Mr Ballance, which took office in 1891, introduced, and successfully carried, a Bill providing that members of the Council

## New Zealand

should be nominated by the Government for a period of seven years only, although there was nothing in the measure to prevent a member from being re-nominated at the end of his term if the Government thought fit. The rights of existing life members of the Council were conserved under the Bill. This reform has proved a failure, and of the Council as at present constituted it might almost be said "None so poor as to do it reverence." The plan of appointing members for a limited period was in itself almost sufficient to bring about the Council's decline, for it practically destroyed the independence of the Chamber. A member who wished to be re-appointed at the end of his term knew that he had to do what the Government wished him to do, and it was sometimes said to be possible to tell when a councillor was approaching the end of his seven years by the increased alacrity with which he strove to carry out the Government's wishes. The mischief was intensified during Mr Seddon's long reign by the fact that he used the Legislative Council as a means of rewarding his supporters, especially those who were unable to secure election to the Lower House. The result is now that all the thirty-nine members of which the Council is composed have been appointed by that party, with the exception of seven life members—all of them advanced in years—who still remain in the Chamber. Thus the Council has lost much of its old independence, and its influence on public opinion has greatly declined.

The Bill framed by the Massey Government for the reform of the Council, and introduced into that Chamber by the Hon. H. D. Bell, Minister for Internal Affairs, proposes to make the Council elective. New Zealand, geographically, is divided into the North and South Island—Stewart Island lying to the south of the latter and bearing somewhat the same relation to it that the Isle of Wight does to England. It is proposed under the Bill to make each of these geographical divisions an electorate, and to use the proportional system of voting adopted in



## Reform of the Legislative Council

the Transvaal Municipal Act. The total number of councillors to be ultimately elected is fixed at forty, twenty from each island. The elections will be held on the same day as those for the House of Representatives, and the franchise will be the same. Each elected councillor will hold his seat for the term of two Parliaments of the House of Representatives, one half the total number retiring at each election. The present nominated members will continue to hold their seats until their existing appointments have expired. The House of Representatives will continue to exercise full control over money Bills, as at present. It is curious to recall the fact that when the Constitution was granted to New Zealand, Sir George Grey proposed to make the Council elective. The English Government, at the instance, it is said, of Sir John Pakington, insisted on substituting the nominative for the elective principle.

The debate on the second reading of the Bill brought to light a strong opposition to it in the Council. Several members who admitted that public opinion was in favour of the substitution of election for nomination said they would vote for the second reading on that ground, but would require radical alterations in some of the details when the Bill was in Committee. The Hon. Mr Samuel, Leader of the Council under the Mackenzie Ministry, urged in opposition that the Government had no right to legislate piecemeal. This was an amendment of the Legislature Act, and a Bill should be brought down to deal with both Houses, instead of trying an experiment on the Council. If a change was necessary, as was suggested, he argued that the Council should be elected either by the House of Representatives or by both Houses, or that it should be abolished altogether, rather than that it should be elected on the popular franchise like the primary Chamber. "Why," he asked, "did the Council exist at all?" It existed to prevent party legislation, to moderate the speed of legislation, to revise, amend, and improve rash legislation, or to retard it until the constituencies could be



## New Zealand

made to understand what was being done. If the Council were elected, members would have to receive deputations and hundreds of letters from constituents, they would have to give pledges, not according to their beliefs, but according to what election necessities required. They would, in fact, be subject to all the disabilities of the Lower House, and would be useless for the purpose of a Revising Chamber. He also took exception to the system of proportional representation. It would mean, he said, that without regard to honesty, good character, or intelligence, the candidate's election would depend upon his ability to get his name on a ticket. A fraction only of the electors could have any real knowledge of their candidates, and the only safeguard which election on popular franchise provided would be removed.

Other members objected that a Council elected on the more scientific system of representation might claim to be a more correct exponent of the public will than the Lower House. On the other hand, if both Houses were elected on the proportional system of representation, there would be two legislative bodies, each practically a duplicate of the other, which would not only be a waste of energy, but likely to prove, in practice, exceedingly fruitful of friction and conflict.

The second reading was carried by twenty-four votes to eight, but on the motion to go into Committee, the Hon. J. D. Ormond, one of the oldest of the life members, moved the following amendment:

That all the words after the word "that" be omitted, with a view of inserting the words "the Council is of opinion that, having affirmed that the constitution of the Council should be altered from nomination to election, it is not advisable to proceed further with the Bill this session, in order that the electors of the Dominion may be given an opportunity of considering the proposals for giving effect to the Bill."

The amendment was carried by twenty to thirteen. This meant, of course, that the Bill was shelved. Mr Massey,

## The New High Commissioner

however, then gave notice in the Lower House of a series of resolutions embodying the main provisions of the Bill. If these are passed, it is thought that they will be sent to the Upper House. Mr Massey has also given notice of a Bill to reduce the term of appointment of Legislative Councillors to three years. It is inferred that if the resolutions are rejected by the Upper House, and the latter Bill is carried, he will next advise His Excellency to call sufficient short-term councillors to pass the Bill into law.

### V. THE NEW HIGH COMMISSIONER

ONE of the first administrative acts of the new Government was the appointment of a High Commissioner in the place of Sir William Hall Jones. The problem presented to Mr Massey was one of no little difficulty. It is believed that there was no one on his own side in politics whom he could spare from active political life in the Dominion and who at the same time seemed pre-eminently marked out for the position of our representative in London. After careful consideration, Mr Massey decided to offer it to the retiring Prime Minister, Mr Thomas Mackenzie, by whom it was accepted.

The New High Commissioner is not an orator, and will not be able to compete with Sir George Reid in the matter of after-dinner speeches. He has, however, a thorough knowledge of the Dominion from end to end, and of its resources. He has managed to gain the confidence of farmers throughout the country, who rely upon him to infuse new life into our London Office, especially in the matter of opening up new markets for our products.

Mr Mackenzie has had considerable experience in this direction, having been for some years the London representative of the most important Farmers' Co-operative

## New Zealand

Associations in New Zealand. Born in Edinburgh in 1854, he came out to New Zealand as a child, and was educated in Otago. He has a good record as an explorer in some of the wilder parts of New Zealand. He first entered Parliament as a supporter of what is now the Reform party, but subsequently crossed the floor of the House, and in 1909 he became a member of the Ward Administration. His recent experience as Prime Minister of the short-lived Ministry was, of course, the crowning point in his career. Mr Mackenzie is in favour of removing the head-quarters of the High Commissioner to a more central position, and is especially bent on opening continental markets for New Zealand produce.

### VI. THE RESIGNATION OF THE GOVERNOR

THE news of the impending resignation of His Excellency the Governor, Lord Islington, in consequence of his having accepted the appointment of President of the Indian Civil Service Commission, has been received with genuine regret. Lord Islington, like his predecessors, has made a point of visiting as many parts of the Dominion as possible, and has shown a lively interest in its institutions, and the development of its resources. In the Mother Country he took an active part in hospital administration and in the development of the agricultural industry, and his knowledge and experience in these as in other matters have been freely placed at the service of the people of New Zealand.

It fell to Lord Islington's lot to be Governor during the first political crisis that has occurred in New Zealand during the last twenty-one years. There has been some criticism of his action during that crisis. This criticism does not question his impartiality, which was absolute, but his interpretation, or that of the Colonial Office, of his constitu-



## The Resignation of the Governor

tional functions. It is a matter, therefore, which concerns the other nations of the Empire, and of which they should take account.

Readers of *THE ROUND TABLE* will remember that the Ward Government, during the short session held in February last, only just succeeded in defeating Mr Massey's "Want of Confidence" amendment to the Address, with the aid of two members who broke their election pledges and the Speaker's casting vote. One of the votes of the members who broke their pledges was obtained, it was understood, on the distinct condition that Sir Joseph Ward would at once resign, even if the Opposition amendment were rejected. This accordingly Sir Joseph Ward did, and after a short interval the Mackenzie Ministry came into office.

But though Parliament had been called together earlier than usual for the express purpose of ascertaining whether the Ministry had the confidence of the country, and if not, of finding for His Excellency other advisers who had, Mr Mackenzie was allowed to remain in office for three and a half months before meeting Parliament and ascertaining whether he had its confidence or not. During that time he had control of the finances, made appointments and promotions in the Public Service, and made appointments for seven years to the Legislative Council. The criticism of the action of the Governor turns upon whether he should have agreed to prorogue Parliament for that period, thus giving the new Administration a lease of power, or whether he should only have consented to adjourn Parliament until the new Cabinet had been formed, thus compelling Mr Mackenzie to submit his Ministry to the judgment of the representatives of the people, before it assumed charge of the administration. Lord Islington, it is understood, agreed that if Sir Joseph Ward could carry the adjournment prorogation should follow. The motion for adjournment was carried in the House and accordingly Mr Mackenzie, as has been mentioned, was enabled to obtain a lease of power for three and a half months, and to make appointments to

## New Zealand

the Upper House, when, as events proved, he did not possess the confidence of Parliament.

It is not intended to express any opinion as to whether Lord Islington's course in these very difficult circumstances was correct or not. The matter is raised rather with the object of pointing out that the old protest against Downing Street interference, and its obvious effect on the Colonial Office, is in danger of destroying one of the few safeguards which the people still possess against the seizure of power by a party cabal. It will be a grave mistake if the Colonial Office carries the doctrine of non-intervention too far, and if the position of Governor is regarded as devoid of power, or responsibility. For an occasion may arise, as this episode suggests, when the people look to the Crown to preserve the people's rights by resisting the usurpation of power, or the straining of their authority by representatives who no longer possess public confidence. In bygone times the peril has been lest the Crown should encroach on the public liberties. That peril has passed away. But it has given way to a new one, that the functions of the Crown, on which in part our constitutional liberties depend, may lapse through non-usage.

### VII. THE COST OF LIVING

**A**N important and interesting report has just been presented by a Royal Commission appointed to consider the subject of the cost of living in New Zealand and the expediency of legislation with respect thereto. The Commission had some difficulty in distinguishing between an actual increase in the cost of living and an increase, due to the more prosperous times, in the standard of living. They find, however, that there has been an actual increase of about twenty per cent, but that the rise in wages has been sufficient not only to preserve the old standard of

## The National Training Scheme

living at the increased prices, but to add considerably to the comforts and common luxuries consumed. But for the last two years the accelerated rise in the prices of food and some other necessities has made it more difficult to maintain this higher standard, for incomes do not appear to have risen in proportion, and wages have been lagging behind prices. They take the view that a large amount of this rise in prices is due to the increased gold production of the world, and point out that New Zealand as a debtor country has benefited by the depreciation of gold, since a less quantity of exports has sufficed to pay the interest on her debt. Moreover, we have further benefited because, while the goods we export have risen about forty per cent in value as measured in gold, our imports have increased in price only to the extent of three or four per cent. They recommend improvement of New Zealand statistics, and lay great stress on the extension of education, especially in technical and economic subjects. They urge that a closer connexion should be established between the administrative side of Government and the political science and economic science of the University. They recommend the removal of duties on the necessities of life, and other alterations in the tariff. They advocate a land policy which will break down land monopoly in town and country, and the establishment of a systematic and energetic policy of immigration. Three members of the Commission, in a minority report, object to further taxation of land, and two Labour members of Parliament on the Commission dissent from the recommendation as to increased immigration, under existing conditions.

### VIII. THE NATIONAL TRAINING SCHEME

THE Government are working away at the organization of the National Training system, and although they are meeting with a full share of the difficulties to be



## New Zealand

expected before such a far-reaching system can be said to be thoroughly established, they are making steady progress. There is a small, but very active, and evidently very earnest, section of the community opposed to Compulsory Training in any shape or form. It is, however, an interesting commentary on the wild talk about military tyranny and "gaoling our boys," which has seriously scared some of the politicians, that there have only been about 50 cases of imprisonment for defaulting up to date, though more than 60,000 boys have been registered for training and nearly 18,000 have attended the camps.

There is, however, a widespread feeling that it is desirable to protect offenders of this class from the associations of the common gaol, and thus to deprive the anti-militarists of the only argument that makes any appeal to the public. The substitution of military detention for ordinary imprisonment was accordingly advocated by Sir Joseph Ward shortly before his resignation. Mr Myers concurred in this opinion, and the proposal was included in the programme of the Mackenzie Government. Mr Massey's Minister of Defence, Mr James Allen, has committed the present Government to the same policy. The details of the detention scheme have not yet been published, but it is understood to include detention in barracks for a maximum period of 28 days, during which military training will be enforced. The Government's Bill is also expected to provide machinery for the attachment of wages in payment of fines, and for leaving the penalties of disenfranchisement and disqualification for government employment to the magistrates' discretion instead of imposing them automatically as at present. The power of imprisonment is, however, apparently to be kept in reserve for obdurate offenders instead of being completely abolished, as was apparently the intention of the previous Government.

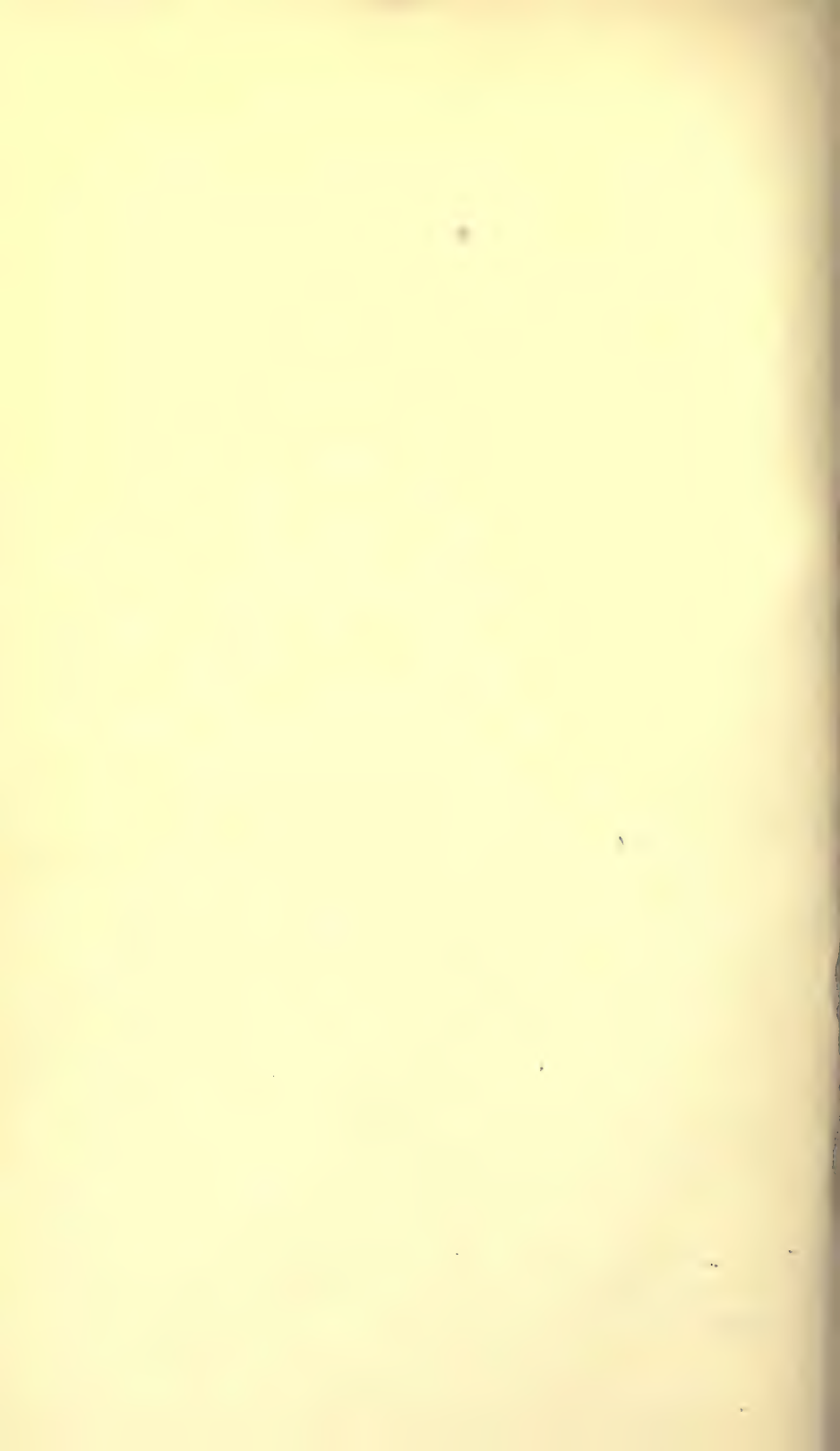
The Defence Estimates, which were considered by the House of Representatives on September 13, provided the new Parliament with its first opportunity of discussing the

## The National Training Scheme

defence question. There was much unbalanced talk about the costliness and the folly of gold lace and feathers, but it is a hopeful sign that critics preferred this line of attack to the denunciations of tyranny and oppression which figure in anti-militarist leaflets. The total vote was £456,388, but both the Minister of Defence and the ex-Minister considered that it would soon be within the proposed limit of £400,000, because the heavy outlay demanded for equipment in the initial stages would not recur. The only important division was on a motion favouring the wholesale exemption of conscientious objectors and the imposition of some equivalent non-military service. The defeat of this motion by 60 votes to 5 is considered greatly to have reduced the chance of serious trouble with the defence Bill.

But the most striking thing in the debate was the outspoken protest by Mr Veitch, the fourth member of the Labour party and the only one who voted against the motion. Mr Veitch expressed the opinion that if a country was worth living in it was worth defending by those competent to take their part in the task of defence. "It was utter nonsense," he said, "to say that Labour organizations were against compulsory military training. . . . As to compulsion, we have compulsory education, why not then have compulsory military training? . . . He emphatically protested against the idea that Labour had so little regard for the country that it was not prepared to fight for it."

New Zealand. Sept. 1912.





# THE ROUND TABLE

A QUARTERLY REVIEW OF  
THE POLITICS OF THE BRITISH EMPIRE

## CONTENTS

Policy and Sea Power	page 197
The Unionists and the Food Taxes	232
The Union of England and Scotland	277
Political Crime in India	303
United Kingdom:	318
<i>The Home Rule Bill—The Fate of the Franchise Bill</i>	
Canada:	335
<i>The Canadian Naval Proposals—Western Views of the Panama Canal</i>	
Australia:	352
<i>Finance—Federal Legislation</i>	
South Africa:	368
<i>The Ministerial Crisis—The Labour Party</i>	
New Zealand:	381
<i>The Massey Government's First Session—The Military Training Scheme—The Waibi Strike—Naval Policy</i>	

Nº 10.      Price 2/6      MARCH · MCMXIII

London: MACMILLAN & CO., LTD.

## NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Empire, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Empire are in the hands of local residents who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

THE ROUND TABLE can be obtained through any bookseller or through any of the following:

UNITED KINGDOM: Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.

CANADA: The Macmillan Co., of Canada, 70 Bond Street, Toronto.

AUSTRALIA: Messrs Macmillan & Co., Ltd., 109 Russell Street, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: Messrs Macmillan & Co., Ltd., 44 Hornby Road, Bombay; 294 Bow Bazaar Street, Calcutta.

EGYPT: Mr F. Diemer (Finck & Baylaender Suc.), Shepheard's Building, Cairo.

CHINA, JAPAN AND STRAITS SETTLEMENTS: Messrs Kelly & Walsh, Shanghai, Hong-Kong, Yokohama, Singapore.

UNITED STATES: The Macmillan Co., 64-66 Fifth Avenue, New York.

Anyone who desires any information with regard to THE ROUND TABLE and its objects or who has any difficulty in obtaining a copy at the places mentioned on the opposite page should apply to the following:

UNITED KINGDOM: The Secretary, THE ROUND TABLE, 175 Piccadilly, London, W.

CANADA: A. J. Glazebrook, Esq., Janes Buildings, Yonge Street, Toronto; or J. A. Stevenson, Esq., 264 River Avenue, Winnipeg, Manitoba.

AUSTRALIA: F. E. Barraclough, Esq., Registrar-General's Department, Elizabeth Street, Sydney, N.S.W.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: H. D. Craik, Esq., Amritsar, Punjab.

The price of THE ROUND TABLE is 2s. 6d. per copy. Annual subscription (including postage) 10s. per annum. Covers for binding volumes (1s. 6d. each) can be obtained from the Publishers, Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.



# CONTENTS OF Nos. 8 & 9.

## No. 8. SEPTEMBER, 1912.

India and the Empire	page 587
Canada and the Navy	627
The Labour Movement in Australia	657
United Kingdom:	678
<i>The Difficulties of the Coalition—An Alternative Government</i>	
Canada:	709
<i>The Naval Conference—The Royal Governor—Provincial General Elections</i>	
Australia:	717
<i>A Plea for a National Policy—An Australian Note on Anglo-German Relations</i>	
South Africa:	737
<i>The Parliamentary Session—Ministerial Dissensions—The Reconstruction of the Ministry</i>	
New Zealand:	750
<i>Closer Relations with Australia—The Political Crisis—Compulsory Military Training—Labour Unrest</i>	
Index to Vol. II	

## No. 9. DECEMBER, 1912.

Arbitration and War	page 1
The Balkan Crisis:	30
1. <i>The Outlook</i>	
2. <i>A German View</i>	
India: Old Ways and New	52
Australian Banking and Currency	81
United Kingdom:	98
<i>The Home Rule Bill—The Constitutional Conference (1910)—The Ulster Question—The Committee Stage—Lord Dunraven and Compromise</i>	
Canada:	134
<i>The Naval Proposals—Railway Rates in the West—French in the Schools</i>	
Australia:	152
<i>Strikes and Legislation—The Political Parties—Current Politics—Universal Military Training</i>	
South Africa:	173
<i>The Rhodes Memorial—The Unveiling of the Memorial</i>	
New Zealand:	178
<i>The Change of Government—The Outlook on Imperialism—The Government Policy and Finance—Reform of the Legislative Council—The Resignation of the Governor—The National Training Scheme</i>	

## POLICY AND SEA POWER

TWO main developments have, during the last few years, marked the relations of Great Britain and the British Empire to the outside world, first, the growing pressure of foreign nations upon the structure of that Empire, and, secondly, and directly caused thereby, the rapid growth in the naval organization of the Dominions. The growth of naval forces in general, and of the German fleet in particular, is subjecting England to a strain which she has not felt since the Napoleonic era, and this at a time of profound international unrest. England has lately been more than once in imminent danger of war, and over controversies in which it may have seemed that the Empire had but the slightest of direct interests. It is this external pressure and danger, coupled in the case of Australia with the fear of China and Japan, that has brought to a head the question of what aid the Dominions should give in the common task of defending the Empire, and what form that aid should take. And this question, once raised, is already in turn bringing another even greater problem on to the stage. For as a direct result the Dominions are already claiming to influence, if not to share in, the control of British foreign policy.

How such control is to be exercised, and whether machinery of government can be devised which will satisfy both the United Kingdom and the Dominions, is the great question of the future. The present article will not attempt to answer it. But it is an opportune moment to state the problem, drawing in broad lines the principles of British foreign policy and of Imperial defence, the difficulties,

## Policy and Sea Power

constitutional and strategic, raised by the co-operation of the Dominions, and the present necessity for a clearer mutual understanding between the Admiralty and the Dominion Governments.

### I

**I**T is often supposed by the man in the street, not only in Great Britain but still more in the Dominions, that it is quite unnecessary for a country situated as is Great Britain to have a definite foreign policy at all. He imagines that the British Government can avoid trouble by the simple process of keeping out of "the vortex of militarism" and minding its own affairs. All diplomatists, he thinks, are playing a game of bluff and making difficulties where no difficulties really exist; he believes that diplomacy is suited only to obsolete aristocratic governments and to the outworn ideas of the eighteenth century, and that such puerilities should be discarded by democracy. He may, sometimes, be right about diplomatists, but he is certainly wrong about diplomacy. If Great Britain were an island in the centre of the Atlantic Ocean with no possessions abutting on those of any other great powers she might manage without a foreign policy. But England is the centre of the largest Empire in the world, and she faces the coasts of Germany and France. How can she ignore these neighbouring nations when an alliance of the German and French fleets would reduce her to the extremest peril? The Western Canadian who thinks that the era of war is over, and who believes in international relations being settled rather by some sort of intangible moral influence than by the influence of guns and rifles, might alter his mood if Vancouver Island were occupied by sixty millions of Japanese with an army of two millions of men and with the second most powerful navy in the world; and the Australian who recommends England



## Policy and Sea Power

to keep her freedom and independence by avoiding all entangling alliances in Europe might hesitate to apply his opinions to Australia, were China and Japan as near the shores of Australia as are Germany and France to the shores of Great Britain. Great Britain is, and must always remain, a part of Europe, and so long as in Europe are to be found almost all the most powerful, the most highly organized, and best armed nations in the world, so long will Great Britain, if she is to defend herself and the Empire successfully, be compelled to adopt a definite policy towards them.

A national policy has both its active and its passive sides. On the one hand it may be employed for the achievement of definite national aims, which may include the acquisition of territory, the promotion of trade, or the possession of such power or strategic position as will enable the nation in question to exercise a dominant voice in the solution of the international problems which concern it. On the other hand, it may aim simply at protecting national interests and national existence against the actions of foreign powers over whose policy it has no control. If a nation is expanding and discontented with its lot in the world, its policy is likely to be active and aggressive. If it wishes merely to keep what it has got, its policy will be passive and defensive. In the latter case foreign policy will be determined as much, if not more, by the action of independent foreign powers than by any deliberate design on the part of the national government.

British foreign policy has, as a matter of fact, during the last hundred years been almost wholly defensive. Owing chiefly to the fact that the Imperial Government is responsible for the welfare, safety and progress of about one-quarter of the human race, it has abandoned any idea of expansion; and its policy has been determined far more by the intentions of its neighbours than by any deliberate objective of its own. The elementary principles of British foreign policy are, indeed, easy to lay down. They are simple because Great Britain is an island, the Empire a maritime Empire, and its lines of communication all by sea. It is naval supremacy

## Policy and Sea Power

which is the fundamental condition of British existence and governs all British relations with foreign powers. We want nothing in the world except to keep and develop what we already possess. Now British sea supremacy depends partly on the strength of the British fleet, and partly on the British Government being able by means of its policy to prevent any overwhelming combination of sea power against it. In other words, it depends very largely on maintaining as equal a balance as possible between the great powers in Europe. For four hundred years to maintain that balance has been the traditional policy of Great Britain. Bishop Stubbs, one of the greatest of English historians, wrote:

The balance of power, however defined, that is, whatever the powers between which it is necessary to maintain an equilibrium such that the weaker should not be crushed by the stronger, is the principle which gives unity to the plot of modern European history. It is the foremost idea of the three centuries, 1500 to 1800. Whatever the drama, this is the key to the plot.

Great Britain is a small island and depends for security on her position in the narrow seas. She has at all costs to prevent such an accumulation of strength in the hands of any single continental power or group of powers as would enable it to concentrate superior naval strength against her, and thereby bridge the seas. In the past Philip II of Spain, Louis XIV of France and Napoleon have successively threatened Great Britain's island position, and have successively failed. In all great crises Great Britain has inevitably been led to pursue the same policy. Being an island, she tries to maintain herself as free as possible from European alliances and she throws her weight on that side which will, as far as possible, maintain the European equilibrium. Exactly the same necessity confronts Great Britain to-day, and in conditions which menace her even more seriously than before, for not only have her responsibilities throughout the world immensely increased since the days of Napoleon, but she is herself more vulnerable than before. She is more



## Policy and Sea Power

dependent on the outside world for her raw materials and supplies, and the growth of invention and particularly of rapid transport facilities has laid her more easily open to invasion.

The method which Great Britain has chosen during the last few years in the European sphere in pursuance of her policy of maintaining the balance of power has been to range herself on the side of France and Russia in the Triple Entente against Germany, Austria and Italy united in the Triple Alliance. The policy of the Triple Entente has, in the main, been forced upon her as a result of the formation of the German Union of 1870, and the effects which it produced both on the German peoples and their neighbours. It was Bismarck's object, after the exhaustion of the wars of 1864, 1866 and 1870, to keep Germany at peace in order that she might repair the material losses she had incurred and build up her national industries and strength. Standing alone, Germany was in a very weak position. On all sides she was surrounded by enemies. To have maintained armies on all her frontiers would have entailed an almost intolerable burden. Yet she could not effect any permanent reconciliation either with Russia or with France. Bismarck accordingly turned to Austria, and in 1879 contracted an Austro-German Alliance, the main object of which was to guarantee the security of their common frontier without cost to either, and to create a nucleus of force in central Europe which would be capable of resisting a combined attack from Russia and France. Partly in order to secure Austria against war with Italy, partly in order to divert a certain portion of the French troops to the Italian frontier, Italy was, in 1883, included in the Alliance. The chief reason which impelled each power to enter the Alliance was the desire for security and peace, and though there were other motives, e.g. Italian indignation against France for the annexation of Tunis in 1881, the Triple Alliance has endured because it has given its members security, partly as against one another and partly in combination against outside enemies.



## Policy and Sea Power

So long as Bismarck was in power it provoked little hostility from the rest of Europe. But after his fall in 1890 the extraordinary increase in German prosperity and strength and the accession to power of a restless expansionist party, headed by the young Emperor, brought a change. No longer satisfied with the position of chief military power in Europe, Germany, with natural ambition, aspired to become a world power, and as a first stage to this end began to create a navy. The story of this phase of German policy is familiar. It begins with the German Emperor's telegram to President Kruger, continues with the rejection of Sir Henry Campbell-Bannerman's overtures for disarmament at the Hague Conference of 1907, and ends at present with the passage of the 1912 Navy Bill. German aspirations were greatly facilitated on the one hand by the declining vigour of France, owing, first, to the relative decrease in her population, and, further, to internal dissensions, notably the Dreyfus case, which destroyed *morale* in the army, and the anti-clerical propaganda, and, on the other hand, by the defeat of Russia in the Far East. But already by 1904, before the Russian defeat, opinion both in France and England had become profoundly stirred by the development of German armaments and ambitions, and in the cause of mutual defence a *rapprochement* between the two took place. Three or four years later the Anglo-Russian Convention, dealing with Tibet, Afghanistan and Persia, was concluded, and the Triple Entente came into being.

The Triple Entente is an understanding and not an alliance. Between France and Russia there is, of course, a definite alliance, the terms of which are secret. But, so far as England is concerned, her written obligations are contained in the respective agreements with France and Russia, both of which are public. There are no secret engagements. That has been stated categorically by Sir Edward Grey. But, while Great Britain's obligations are undefined, none the less they exist. Foreign policy does not rest wholly upon written engagements. It is well understood that in the balance of

## Policy and Sea Power

power Great Britain stands on the side of France and Russia, and that, so long as those powers pursue neither a provocative nor an aggressive policy, she will aid them in any diplomatic struggle which may arise.

The motives for the Triple Entente are identical with the motives which brought about and have maintained the Triple Alliance. In the first place its object is to protect the parties to it against the possibility of successful attack by their neighbours. For this purpose it is necessary for them, in combination, to have a preponderance of power for defence, if not for offence. European peace depends on the maintenance of a balance of power in the sense of the existence of two groups of such equal strength that attack by either on the other involves a serious risk of defeat. From time to time this balance of power has been maintained on the continent of Europe itself, and England has been able to stand on one side in the happy position of being able to throw her fleet and army as a decisive factor into the balance in times of crisis. Unfortunately, as Sir Edward Grey has pointed out, this age is not one for splendid isolation. Owing to the defeat of Russia in 1905, the decline of France and the immense growth in the German navy, England, in the last few years, has found it necessary to step down into the arena in order that a balance may be maintained at all.

If England had remained wholly aloof, France might well have had either to adopt an attitude of neutrality towards German designs and leave England to meet the whole strength of the Triple Alliance in the North Sea and the Mediterranean, or else come to terms with Germany and become an active supporter of her policy in return for a share of the spoils. The effect of the Anglo-French understanding is well shown by contrasting the position of France in 1905, when an ultimatum from Berlin forced the resignation of M. Delcassé, the French Foreign Minister, as a guarantee that she would change her policy in Morocco, and her position in 1911, when, after an act of equal aggression at Agadir, Germany was forced to withdraw and suffer



## Policy and Sea Power

a diplomatic defeat, because she was not ready or strong enough to face certain war with Russia, France and England, if she persisted in her demands.

But the cause of the Entente is not simply the necessity to the British Empire of the maintenance of the balance of power. There is a second and scarcely less important reason. Just as Germany, Austria and Italy have combined in the Triple Alliance in order to save themselves from having to resist diplomatic pressure from one another and to avoid having to make immense military and naval preparations against one another, so a potent argument for the Triple Entente has been that the diplomatic friendship it has entailed with France and Russia has enabled the British Government to settle amicably long-standing disputes with both, and to refrain from preparing to defend British interests against attack, where they touch French and Russian interests. The first fruits of the *rapprochement* between France and England, caused by the common fear of Germany, was the settlement of the long-continued, acrimonious and dangerous disputes between the two countries in North Africa. France gave England a free hand in Egypt and the Sudan; England agreed to give France a free hand in Morocco. Fashoda incidents immediately became impossible, and frontiers were amicably delimited which had previously given rise to bitter disputes. Similarly the first fruits of the *rapprochement* with Russia were the agreements of 1907, which relieved Great Britain of her anxiety about a Russian advance in Tibet, Afghanistan and Persia. For internal reasons the Persian agreement has not fulfilled expectations. The incompetence of the Persians and the chaos which has ensued since the establishment of what is called the constitutional régime, have compelled continuous interference in Persian affairs both by the Russians and the British. Nobody disputes that this interference would have been equally necessary whether Russia and England had been united in an entente or had been suspicious enemies, as they were at the end of last century. But the fact that they



## Policy and Sea Power

were in agreement has prevented the Persian question from being a source not only of grave international anxiety, but of immense expense to the United Kingdom and to India. So far as Russia is concerned, the British Empire has not had to station a man or spend a sovereign in Persia to defend British interests. If the day comes when Russia and England are no longer friends, nothing save diplomatic pressure or the dispatch of large naval and military forces to the neighbourhood of the Persian Gulf can prevent the former from moving her frontier further south. Moreover, our agreement with Russia has the additional benefit of enabling us to exercise a great deal of restraint upon Russia in the Far East in her relations with China and Japan. Agreements of this nature may not be wholly satisfactory, but at least they free us from an immense additional burden for defence at a time when British resources are strained to the utmost to meet the situation in the North Sea.

The foregoing analysis will serve to show that the basis of British foreign policy in the European theatre is an understanding with Russia and France, designed primarily to protect the British Empire against any immediate attack from the central European powers or against such developments of the European situation as would enable those powers in future to dominate France and consequently bring irresistible pressure to bear upon Great Britain; and, secondarily, to save Great Britain from the expensive and dangerous consequences of the hostility of France in Africa and the hostility of Russia in the Middle and Far East. There are obvious objections to this policy. It brings with it undefined liabilities, which in a crisis may become exceedingly heavy. But no alternative has yet been put forward. The balance of power in Europe, it is true, may shift and may necessitate an alteration in British policy. But until the whole world is very different from what it is now, that will merely mean that England will have to shift her weight from one side of the balance to the other. Just as the expansion of Germany has in the last few years brought with it

## Policy and Sea Power

a great change in British policy, so it is conceivable that a great growth in Russian power might some day in the future bring another change. The only alternative to such European understandings is to create an Imperial navy and an Imperial army sufficient to enable us to protect by force all our frontiers and to meet any possible combination of powers both on land and sea.

But Europe, although vastly the most important, is not the only sphere in which England needs to have a foreign policy. By her European policy she essays to safeguard her own shores, her Atlantic and Mediterranean trade routes and her passage to India through the Straits of Gibraltar and the Suez Canal. She must in addition have a Pacific policy for the protection of her immense trade interests there and, much more important still, for the security of Australia and New Zealand as well as India and the Malay States; she must prevent the rise of any naval power in the Indian Ocean or the Persian Gulf; she must hold the great naval base at the Cape; and finally she must maintain friendly relations with the American States, both north and south.

There is no reason to suppose that this last task need be a difficult one, or that England and the American powers need come into conflict. If the remaining spheres are examined it will be seen that the prevention of any foreign fleet from appearing in the Indian Ocean depends upon the success of England's policy in Europe and the Far East. If the Triple Alliance were to hold the Mediterranean, Russia the Persian Gulf, or Japan Singapore, then the position of England in India would be immensely more precarious. Her European policy is aimed at preventing the two former developments, while the object of her Far Eastern policy is to prevent any such development as the latter, or more broadly stated, to maintain the *status quo*.

There is only one naval power in the Far East besides Great Britain, and that is Japan. There are, therefore, two alternatives before her. She may either enter into an alliance with Japan which will guarantee that that power



## Policy and Sea Power

does not act contrary to her interests, or she may maintain such a naval force in Far Eastern waters as will enable her to prevent Japan by compulsion from acting contrary to British interests, supposing at any time she might be tempted to do so. Fortunately the interests of Great Britain and Japan in the Far East more or less coincide. Both powers are anxious for unrestricted trade and both are anxious to maintain the integrity of China. Further, Japan is financially weak and is still almost in a state of convalescence after war. She has her hands full with her own problems and with Korea and Manchuria and is equally anxious that things should remain as they are. An understanding with England secures this end for both countries. In England's case no doubt freedom from any alliance would be the ideal state, but the necessity which she has been under to reduce largely her naval strength in the Far East owing to the pressure of Germany in European waters has put that alternative out of the question. There are disadvantages, it is true, in the Japanese Alliance, just as there are in the Entente, but in the main one may say that it secures Great Britain's position in that part of the world without entailing any great obligations on her part. Since, therefore, the alliance is of mutual value, the present treaty will probably continue to exist, unless Dominion naval strength in the Pacific, coupled with that of Great Britain, is strong enough to free the Empire from any necessity for an alliance at all.

British policy rests, therefore, in the main on the Triple Entente and the Japanese Alliance. It is obvious that in certain circumstances her obligations might involve her in war. If any crisis occurs, such as the Moroccan crisis of 1911 or the Balkan crisis of the present moment, there is no doubt that the French and Russian Governments will inquire of the British Government as to what is its attitude and what help they may expect in the case of conflict. There is no doubt, too, that in such circumstances Great Britain must reply, and must reply in a fairly definite manner, as to the help which she can give, whether on sea or land. If she



## Policy and Sea Power

were to become involved the whole power of her fleet would obviously be required in the North Sea, until the decisive engagement had taken place. It is probable in addition that in her own interests she might have to provide as large an expeditionary army as possible, available for service wherever required. This, however, is not the place to discuss what obligations of this nature would be entailed or the adequacy or inadequacy of British preparations for a first-class European war. What is certain is that the European position will compel England to keep both the navy and the expeditionary army in the European sphere, and that in present circumstances there would be few or no spare forces which could be sent to distant portions of the Empire. These facts seriously weaken Imperial policy outside the European area.

Indeed, notwithstanding the entente and the Japanese alliance we need not disguise from ourselves that Great Britain is to-day in a far less favourable position than she was fifteen years ago. In the first place her relative strength is far smaller. To-day Great Britain has built, or is building, thirty-six first-class battleships. There are built, or are building, for other powers ninety-two first-class battleships. In 1895 the position was very different. Great Britain possessed sixty-two first-class battleships and foreign powers one hundred and twenty-three. That is to say, that whereas in 1895 the British fleet was one-half the combined fleets of the rest of the world, to-day it is equal to not much more than one-third. In the second place, necessity has compelled Great Britain to throw the weight of her strength more definitely into the European balance. To revert to the policy of splendid isolation would, in Sir Edward Grey's words,

deprive us of the possibility of having a friend in Europe, and it would result in the other nations of Europe, either by choice or by necessity, being brought into the orbit of a single diplomacy from which we should be excluded. . . . One result would be that in the course of a few years we should be building warships not against a

## Policy and Sea Power

two-power standard but probably against the united navies of Europe.

Lastly, the strength of Great Britain outside Europe has seriously declined. She cannot afford to make difficulties which may involve a display of force because the British fleet is of necessity tied to the North Sea.

### II

THESE being the conditions of British foreign policy, what part should the Dominions play in the defence of the Empire and in the determination of that policy? Hitherto no certain answer has been found to that question. The history of the relations between the Dominions and the United Kingdom with regard to defence since the first Colonial Conference of 1887 shows, indeed, a steady development towards co-operation,\* but gives no definite clue as to the ultimate direction it will take. No final reconciliation has yet been found between the claims of Empire and the claims of national autonomy. In earlier days it was looked upon as axiomatic that, though the Dominions might and even ought to make some contribution, the defence of the Empire and its parts must rest wholly in the hands of the British Government. That stage has, in the case of most of the Dominions, been left behind, because it is becoming more and more inconsistent with the growing claims of colonial nationalism. It has been replaced by a policy of co-operation, though as yet neither the Dominions, as a whole, nor the British Admiralty are clear as to the form their naval aid should take; whether it should be in the direction of creating local navies or of placing their ships with the British fleet.

The relative merits of these alternatives are discussed

\* THE ROUND TABLE, September, 1911. "The Empire and the Conference."



## Policy and Sea Power

briefly in a later section of this article. What is significant to note here is that, so soon as the Dominions, or some of them, ceased to be contributors and became partners, they were driven, as the Imperial Conference of 1911 showed, to demand a fuller knowledge of, if not some share in, Imperial foreign policy. Although, therefore, there are manifestly the greatest difficulties in any division of authority over policy, from which, as experience will show, defence cannot be dissociated, here, too, old ideas are breaking down and demands inconsistent with the existing organization of the Empire are being made. Is the same road to be followed in the case of foreign policy as in that of defence? Is a Dominion which has a local navy of its own to have a foreign policy of its own too? And in that case will the Empire remain an Empire at all except in form? Even if an Empire can have several fleets more or less independent of each other, can it have several foreign policies? These questions are already coming to the fore, and sooner or later they will have to be answered. If it is admitted that in the long run there must be one foreign policy only, then the only alternative to undivided control by the British Government is common control by all the self-governing parts of the Empire. Moreover, a single foreign policy, for which all parts of the Empire are responsible, means the equal acceptance by all its citizens of responsibility for its results and, before they accept such a responsibility, the peoples of the Dominions have a long way to travel. Consider the marked difference now in the outlook of a citizen of the United Kingdom as compared with a Canadian, an Australian or a South African. An Englishman knows that if any part of the Empire is attacked, whether it is Canada, or Australia, or South Africa, or India, or Egypt, or West Africa, or the Malay Peninsula, or anywhere else, there is no choice before him. He must defend every part of the Empire; he cannot limit his obligations. He would aid Canadians or Australians or South Africans or New Zealanders to defend themselves against external foes, till he



## Policy and Sea Power

had spent his last drop of blood and his last penny. And while the rest of the Empire—that is, what are called the Dependencies—stands on a different footing, it would be only after defeat that he would consent to abandon any part of it. A Canadian or an Australian, on the other hand, feeling that he has no say whatever in policy, does not see why he should be dragged into quarrels for which he has no responsibility. He feels sure that in any crisis he would come to the aid of Great Britain; but there might, he thinks, be all sorts of wars within the Empire, with which he would feel no concern. At present, therefore, he stands for limited liability, whereas the Englishman's liability is unlimited. But it will not be until all the white citizens of the Empire share equally in the responsibility for its maintenance, that they will be equally entitled to the control over its foreign policy. Doubtless it was the perception of this that led Sir Wilfrid Laurier invariably to decline any invitation to share in the determination of policy. Belonging to an earlier period the main impulse which actuated him was to avoid responsibility. But Canada has become a nation and every nation from the very conditions of its being must be responsible, either solely or in partnership with other nations, for its own destiny. Though the perception of this truth may still be dim, the choice before Canada and all the other Dominions is not that between responsibility and irresponsibility, but between responsibility without the Empire, as an independent nation, and responsibility within the Empire shared jointly with the other nations comprising it.

With every development of the naval forces of the Dominions, it will indeed become clearer that there is no escape from liability for the policy which directs the fortunes of the British Empire and its component parts. The very possession of a navy carries with it the status of nationhood. "Navies," as Admiral Mahan has said, "are instruments of international relations." "Their constitution and numbers must reflect a national policy." No sooner had Australia, New Zealand and Canada initiated

## Policy and Sea Power

a naval programme than they were forced in the Imperial Conference of 1911 to discuss the question of foreign policy and to begin to share in the responsibility for it. The connection, as Mahan pointed out, between foreign relations and the general question of Imperial defence by navy and army could scarcely have been more signally illustrated. No sooner had the Dominions asserted their right to determine the measures which they were going to take for their own defence and the defence of the Empire than they were brought up against the fact that the preparations which they ought to make depended mainly on the foreign situation and the foreign policy of the Imperial Government, a matter over which they had no control and which they admitted must be in the hands of a single authority.

There is then an inherent instability in the present situation, and for two reasons. In the first place each Dominion will find that it cannot properly determine its measures for defence, whether naval or military, without a clear knowledge of and some control over the policy which these measures are intended to safeguard and support. And in the second place there is no instance yet, and there is hardly likely to be one in the future, of an Anglo-Saxon community, which has arrived at national self-consciousness, being content to allow the control of its destinies to rest wholly and permanently in other hands. Both these reasons will impel the Dominions to demand greater powers over their external relations than they have at present, and it is worth while, therefore, to dwell at some length upon them. For unless some reasonable solution can be found by which joint control over policy is secured, the final end, disastrous to Imperial unity, can only be that each nation will go its own way.

✓ Take the case of Canada first. Canada is now seeking for a "permanent naval policy." In other words, her Government has to decide what shall be the size and nature of her fleet, where her ships shall be stationed and who shall control them. Upon what considerations



## Policy and Sea Power

must these decisions rest? Clearly upon the general policy of the British Empire and upon the policy of Canada within it. The problem before Canada, as before the other Dominions, is both general and specific. Her aim, in Mr Borden's words, must be "to increase the effective naval forces of the Empire, to safeguard our shores and our seaborne commerce and to make secure the common heritage of all who owe allegiance to the King." To obtain these ends she must be clear as to what is demanded from her both in the general interests of the Empire and in her own particular interests. It is equally as important to Great Britain, and to the rest of the Empire as it is to Canada, that the problem of Canada's defence should combine these two ends. What are the elements of that problem? Like the United States, Canada faces both the Atlantic and the Pacific oceans, the two greatest oceans of the world. She is already vitally interested in the balance of sea-power in both of them. If Great Britain lost the control of the Atlantic, Canada's destiny would be profoundly affected. In the control of the Pacific is involved her future relations to China and Japan. Moreover, to the south of Canada lie the United States. Canada's naval policy cannot finally be determined without reference to her relations with that country. These relations in return are determined by the relations between the United States and Great Britain. Moreover, Canada's policy must have reference also to "the rapid expansion of Canadian seaborne trade and the immense value of Canadian cargoes always afloat in British and Canadian bottoms."

On the basis of the figures supplied by the Board of Trade to the Imperial Conference of 1911, the annual value of the oversea trade of the Dominion of Canada in 1909-10 was not less than £72,000,000, and the tonnage of Canadian vessels was 718,000 tons, and these proportions have already increased and are still increasing. For the whole of this trade, wherever it may be about the distant waters of the world, as well as for the maintenance of her communications both with Europe and Asia, Canada is dependent and has always



## Policy and Sea Power

depended upon the Imperial navy without corresponding contribution or cost.\*

Does all this mean that Canada requires a fleet on her Atlantic sea coast, and, if so, of what size? That appears to depend largely on her own and Great Britain's relations to the United States. Does she require a fleet on her Pacific coast, and, if so, of what size? That again depends partly upon her relations with the United States and partly upon her relations, and still more on those of Great Britain, with Japan, and in the future with China. It depends, in fact, on the policy of the British Empire in the Pacific, and cannot be properly determined without reference to the Japanese alliance, Australian naval policy, the naval policy of the Indian Government and the relation which all these bear to the Canadian position.

On the other hand, sound strategy may make it of more importance to Canada and the British Empire that her help should be given, at any rate at present, in the North Sea and the Mediterranean rather than on her Atlantic and Pacific coasts. In this connexion the conclusion of the Admiralty Memorandum to Canada is significant:

The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering, after a prolonged consideration of all the circumstances, that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

These ships are obviously intended to be stationed, not at Esquimaux or Halifax, but on the coasts of Great Britain. That, indeed, is the conclusion which the Canadian Government has reached. For the moment Canada's policy is to give her aid in the North Sea, and it is in the defence of that sea that the Government of Canada conceives that in present conditions her highest interests lie.

\* Admiralty Memorandum prepared for Government of Canada, December, 1912, Cd. 6513.

## Policy and Sea Power

In his speech in the Canadian House of Commons Mr Borden said:

If we should neglect the duty which I conceive we owe to ourselves, and if irreparable disaster should ensue, what will be our future destiny? Obviously as an independent nation or as an important part of the great neighbouring Republic. What then would be our responsibilities, and what would be the burden upon us for a protection on the high seas much less powerful and less effective than that which we enjoy to-day?

Nothing could show more clearly than these words how inextricably Canada's naval policy is interwoven with the foreign policy of Great Britain, in which she has now no share, and with the balance of sea power in Europe and elsewhere. That will be no less the case, if in future Canada's help is given on her Atlantic and Pacific coasts rather than in the North Sea. Defensive measures are simply the outcome of policy. So long as Canada remains within the British Empire her naval policy must be determined largely by the Imperial policy, which dictates the disposition of the other fleets of the Empire.

The problem before Australia—and with Australia one may bracket New Zealand—is in principle the same, though in detail different. Like Canada's, it is general and specific. The destiny of Australia depends both on the supremacy of Great Britain in the North Sea and on the success of Imperial and Australian policy in the Pacific. Australia's policy must as far as possible secure both these ends. From her geographical position, it seems that she can best do so by devoting her whole energies to secure the Empire's position in the Pacific. There appears to be a growing feeling that in the interests of Australia and New Zealand, and possibly also of Canada, the British Empire should be properly represented in the Pacific and should not depend wholly upon the Japanese alliance. It is the menace of Japan and China which has led Australia to take far more active steps for her own naval defence than Canada has hitherto done. At the same time, vigorous as are the measures



## Policy and Sea Power

which Australia has taken it may be doubted whether she has yet wholly appreciated the intimate relations between defence and foreign policy. She has determined—and it appears to be unlikely that she will recede from her determination—to have a local navy of her own, a fleet unit as far as possible self-dependent. But, as it will at best be many years before the Australian fleet is capable by itself of defending Australian possessions, its character and size and the method of its employment must obviously depend partly on Imperial policy. The main purpose of Australia's fleet must naturally be to defend Australia and her interests in the Pacific. It must, therefore, obviously bear a relation both to the forces likely to be encountered and to the help which Great Britain and other possible allies may give. It must to some extent be conditional, not only upon such all-important factors as the Anglo-Japanese Alliance, but also upon the strength of the British fleet in Chinese waters, upon the relations of Great Britain to the United States and the policy of the United States as regards the Far Eastern Powers, upon the policy of the Government of India as to the defence of that country and its immense interests in the East and upon the action which Canada may take in equipping a fleet to defend her Pacific interests. All these are matters which sooner or later Australian statesmen must take into account. Though circumstances have prevented the scheme from reaching its fulfilment, it is significant in this connexion to note that in 1909, when the arrangements for the creation of an Australian fleet unit were first determined upon with the Admiralty, it was laid down that “the Australian fleet unit should form part of the Eastern fleet of the Empire, to be composed of similar units of the Royal Navy, to be known as the China and the East Indies units respectively and the Australian unit.”\*

Notwithstanding the fact that these questions have never been brought prominently before the Australian public or

\* Defence Conference, 1909. Cd. 4948.



## Policy and Sea Power

Australian politicians, they are beginning to be canvassed in that country. As an Australian wrote recently:

We create fleets without in the faintest way arranging what policy they are intended to support. We put the control of the fleet in the hands of one Government which is not intended to deal with policy, and we put the policy in the control of another Government which has no control over the fleet. When and on what contingencies is he (i.e., the Australian Minister for Defence) going to use his armaments? What forces will they have to meet? The control of a fleet involves these questions. Are they to be dealt with by Great Britain? The policy which Britain is conducting in the Pacific finds its expression in the Japanese Alliance. It cannot be said that that altogether coincides with the policy which is the basis of our naval and military preparation. If the time is ripe for armaments in the Pacific, the time is ripe for a policy in the Pacific which takes stock of the forces available, the possible contingencies and the dispositions by which the friendly forces can be made effective. . . . I only raise the matter to suggest that there is an underlying problem which no one is facing at present.

It may be interesting, perhaps, to take a particular case in which, though it may be unlikely, it is yet conceivable that these difficulties might be brought to a head. The Democratic Party in the United States is committed by its policy to extend absolute autonomy, amounting in the opinion of some of its leaders to absolute independence, to the Philippines. Supposing that policy came to a fulfilment and chaos ensued. Would it be a vital interest of the British Empire that Japan should be prevented from occupying the Philippines and restoring order there? If the geographical position of the Philippines is studied on the map, their immense importance in relation to Singapore, and therefore to India, and to Australian and Imperial interests as a whole in the East will be apparent. Probably there is no one who has yet considered such a problem. Yet these are just the questions upon which it is necessary to have a policy. Is Australia prepared to say to the British Government that it would regard such action as a vital matter, and that it would be prepared to bear the financial responsibility for naval preparation sufficient to make the Japanese

## Policy and Sea Power

occupation of the Philippines impossible? These are the questions with which Australia and the other Dominions must concern themselves. These and all other questions relating to the control of the Pacific will during the period of adjustment, which is clearly not far distant, be determined by sea power.

South Africa's naval problem is different, but it is no less bound up with Imperial policy in general. South Africa, owing to her dependence on the outside world for her large import trade, owing to her possession in the Cape of Good Hope of one of the most important naval stations in the world, and owing further to her proximity to great German possessions, is equally vitally interested in the maintenance of British sea supremacy. Her policy must be based on a determination to strengthen that supremacy in whatever way she can. It may be that her best course is to strengthen the fighting line in the North Sea, or it may be that she will determine to maintain a local fleet at the Cape. What is clear is that the possession of sea supremacy by the British fleets is vital to her interests, and that her defensive policy must be based on Imperial policy.

It may be noted that, in the words of Lord Gladstone's recent speech from the throne, General Botha's Government "recognize the importance of the naval defence of South Africa and the protection of its maritime trade routes," and "have considered the question of the fuller and more effective co-operation by the Union." Before coming to any decision, "they desire further consultation with the Imperial Government."

It has already been pointed out that in addition to the fact that any Dominion, which has a navy, must have some policy of its own or a knowledge of and share in British policy, there is a second reason of a different nature which will make it imperative for self-governing nations to demand some share in the control of external affairs. There has never yet been a grown-up Anglo-Saxon community which



## Policy and Sea Power

has entrusted to another community a vital part of its government. In the words of Mr Borden:

If Canada and the other Dominions of the Empire are to take their part as nations of the Empire in the defence of the Empire as a whole, shall it be that we contributing to the defence of the whole Empire shall have absolutely, as citizens of this country, no voice whatever on the councils of the Empire? I do not think that such would be a tolerable condition; I do not believe that the people of Canada would for one moment submit to such a condition. Shall members of this House of Representatives, men representing 221 constituencies of the country—from the Atlantic to the Pacific—shall no one of them have the same voice with regard to those vast Imperial issues that the humblest taxpayer in the British Isles has at this moment? It does not seem to me that such a condition would make for the integrity of the Empire.

What Mr Borden says of Canada will apply equally to the other Dominions and with greater force, the bigger and stronger they grow. Control of some kind they will have. The question for the future is whether it shall be joint or several.

In an article upon "Canada and the Navy" in *THE ROUND TABLE* of September last it was pointed out that the stage has now been reached when the Dominions must demand and should be given some share in directing the policy of the Empire. It was recognized that any change must be small. It was urged at the same time that in the Committee of Imperial Defence we had a body which could very well be utilized for affording to the Dominion Governments some representation in Imperial Councils and some means of obtaining accurate and consistent knowledge of Imperial policy. Since then an important step in this direction has been taken by the British Government. On December 10, 1912, Mr Harcourt addressed a despatch to all the Dominions on the question of their representation on this body. The matter is sufficiently important to be referred to in some detail, and at the risk of repetition it is necessary to give some account of the nature and functions of the Committee of Imperial Defence and of its possible developments.



## Policy and Sea Power

Mr Harcourt points out that the matter arose out of a resolution by Sir Joseph Ward in 1911 asking that the High Commissioners of the Dominions should be summoned to the Committee of Imperial Defence when naval and military matters affecting the oversea Dominions were under consideration. The view of those present was that the presence of ministers responsible to their own colleagues and parliaments was preferable to that of the High Commissioners. The resolutions ultimately passed unanimously were:

(1) That one or more representatives, appointed by the respective Governments of the Dominions, should be invited to attend meetings of the Committee of Imperial Defence when questions of naval and military defence affecting the oversea Dominions are under consideration. (2) The proposal that a Defence Committee should be established in each Dominion is accepted in principle.

The despatch goes on to point out that soon afterwards a change took place in the Canadian Government, and that on Mr Borden's arrival in England he expressed the desire that Canadian and other Dominion ministers who might, under the above resolution, be in London as members of the Committee of Imperial Defence, should receive in confidence knowledge of the policy and proceedings of the Imperial Government in foreign and other affairs. It was pointed out to him that the Committee was a purely advisory body, and "is not and cannot under any circumstances become a body deciding on policy, which is and must remain the sole prerogative of the Cabinet subject to the support of the House of Commons." But at the same time he was assured "that any Dominion minister resident here would have at all times free and full access to the Prime Minister, the Foreign Secretary and the Colonial Secretary for information on all questions of Imperial policy." In a public speech quoted in the despatch Mr Harcourt went further. "I see no obstacle," he said, "and certainly no objection to the Governments of all the Dominions being given at once a larger share in the executive

## Policy and Sea Power

direction in matters of defence and in personal consultation and co-operation with individual British ministers whose duty it is to frame policy here." He ends his despatch by asking each Dominion Government whether they desire to adopt some such method as Mr Borden has already accepted, for a more continuous connexion in naval and military affairs with the Committee of Imperial Defence in the United Kingdom.

It may be interesting to compare this despatch, necessarily cautious in its terms, with Mr Borden's account of the Committee. We quote the latter in full, as with the exception of Mr Asquith's speech last year in the House of Commons, it is the only authoritative statement of the working of this new constitutional body. Speaking to the Canadian Parliament Mr Borden said:

I have alluded to the difficulty of finding an acceptable basis upon which the great Dominions co-operating with the Mother Country in defence can receive and assert an adequate voice in the control and moulding of foreign policy. We were brought closely in touch with both subjects when we met the British Ministers in the Committee of Imperial Defence. That Committee is peculiarly constituted; but, in my judgment, it is very effective. It consists of the Prime Minister of Great Britain, and such persons as he may summon to attend it. Practically all the members of the Cabinet from time to time attend its deliberations, and usually the more important members of the Cabinet are present. In addition, naval and military experts and the technical officers of the various departments concerned are in attendance. A very large portion of the work of the committee is carried on by sub-committees, which often are composed in part of persons who are not members of the general committee itself, and who are selected for their special knowledge of the subjects to be considered and reported upon. The amount of work which thus has been performed during the last five or six years in particular is astonishing, and I have no doubt that it has contributed largely to the safety of the whole Empire in time of peril.

The committee is not technically or constitutionally responsible to the House of Commons, and thus it is not supposed to concern itself with policy. As so many important members of the Cabinet are summoned to attend the committee, its conclusions are usually accepted by the Cabinet, and thus command the support of the majority of the House of Commons. While the committee does not



## Policy and Sea Power

control policy in any way, and could not undertake to do so, as it is not responsible to Parliament, it is necessarily and constantly obliged to consider foreign policy and foreign relations for the obvious reason that defence, and especially naval defence, is inseparably connected with such considerations.

I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence, they would welcome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence and be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such representative of Canada. This means a very marked advance both from our standpoint and from that of the United Kingdom. It would give us the opportunity of consultation, and therefore influence which we have hitherto not possessed. The conclusions and declarations of Great Britain in respect of foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the overseas Dominions had become an accomplished fact.

It is quite true, as Mr Harcourt states, that in theory and still even in practice the Committee is a purely advisory body, and that the Cabinet, subject to the British Parliament, decides. So was the Cabinet, in fact, for many years advisory, and in strict legal theory so it is now. But there is no small likelihood, in view of the presence of so many prominent members of the Cabinet upon it, that its opinions will carry weight with the Cabinet itself, and there is an equal likelihood, owing to the same cause, that it will be easy to avoid a conflict of authority between the two bodies. It is sometimes argued in the Dominions that a single representative, say from Canada or Australia, on a purely advisory body does not constitute a representation which will possess any influence or be worthy of the importance of these growing nations. That view is, in our opinion, wholly mistaken. The influence of Canada or Australia will not be measured by their representation on the Committee of Imperial Defence, but by the value which the British Government attaches to the concurrence of those two Dominions in its policy. About that there is no doubt.



## Policy and Sea Power

Indeed so great is that value that the British Government sometimes almost suffers from too much fear of giving offence. It is certain that only the very gravest reasons would induce the British Cabinet ministers on the Committee to disregard the opinions of the Dominion Governments as expressed through their representatives.

The fact that the Committee would, under these proposals, be representative of all the self-governing nations of the Empire must undoubtedly give it a greatly added importance. It might appear from some expressions in Mr Harcourt's despatch that the Dominions' representatives would be merely onlookers, and be present simply to acquire knowledge on certain limited occasions, i.e. "when naval and military matters affecting the overseas Dominions were under consideration." In the first place, however, it is quite certain that from time to time the Dominions' representatives must act not as mere spectators, but must voice the opinions and decisions of their Cabinets on matters of policy and defence. And in the second place, as has been shown, all important questions of defence must, from their very nature, affect the overseas Dominions. As, therefore, all naval and military matters affect them, their representatives would, naturally, always be present. There is also an obverse side to the medal. It follows equally that the Dominions' representatives cannot confine their responsibilities simply to the discussion of their own local concerns. The strategical defence of the British Empire is a single problem, and a Canadian or Australian representative cannot leave the room, for instance, when the discussion turns upon India, or the Cape of Good Hope.

Yet, notwithstanding its great importance constitutionally, the Committee will be quite an anomalous body, an obvious makeshift. It will be an advisory body representing five Governments, but binding none of them. Its main business will be to offer advice with regard to defence to the British Government, and presumably to the Dominion Governments too. With policy as distinct from

## Policy and Sea Power

defence it will in theory have nothing to do. In practice, such of its views as are accepted by the representatives of the British Cabinet will almost certainly be accepted in turn by that Cabinet as a whole. In the sphere of policy the Dominions may represent their views and be consulted; but the final determination and the resultant action must still rest with the Government of Great Britain. Questions of war and peace require instant decision, secrecy and unity of purpose. The responsibility for them is not susceptible of being shared between more than one Government.

The success of the new step is, therefore, it is clear, conditional upon the continued willingness of the Dominions to exercise merely influence, and to leave all action in foreign affairs still to be taken by the British Government. This willingness is again conditional first upon their confidence in the British management of foreign policy, and, secondly, on the maintenance of that state of affairs under which the overwhelmingly greater responsibility for the cost of defence, naval and military, falls on the United Kingdom. Long before the Dominions become equal in power with Great Britain, these makeshift constitutional arrangements must come up for revision. Suppose, for instance, that the United States had not parted company from the British Empire. It is not conceivable that the foreign policy of Washington would still be under the sole control of Downing Street. Long before this some means of sharing the responsibility would have had to be, and would undoubtedly have been, evolved. So it will be in the case of the Dominions. But while we may look forward to even greater changes in the future, changes which are now quite out of our reach, the suggestions made by Mr Harcourt form a necessary and very important step upon the way, and it is to be hoped that every Dominion in one way or another may see its way to accept them. In the minds of the Australian Government there have been some signs of hesitation. Australia has with Admiralty approval started definitely and with great energy



## Policy and Sea Power

on the long road of building up an Australian navy. The task is one which will call for great sacrifices on the part of the Australian people and from which the Empire should in the future reap great benefits. She is absorbed in it, and she has not yet begun to inquire very gravely into the policy which must underly her preparations, or into the need of co-ordinating her efforts with those of the rest of the Empire. It is probable, however, that her bold action is already bearing its inevitable fruit and that Australian statesmen are recognizing that the Australian problem is not a local one, but a part of the much wider Pacific problem, which latter is again involved in the Imperial problem, and that common knowledge and common control is at least as essential to its proper solution as in the case of the other Dominions.

### III

**I**T is clear, then, that though some important steps forward are being taken, we are not yet near the time when all nations within the Empire will share equally in the control of foreign policy. Meanwhile another question is arising, which will not brook the same delay. The Dominions are building ships. These ships must be controlled by some Government. Twenty years ago it was tacitly assumed that Dominion aid would be given in the form of contributions to the British navy, and that control would rest solely with the British Government. It has long been clear that no such policy is consistent with the claims of colonial nationalism. But, though this is clear, little else is clear. The old policy is, indeed, discredited, but no new or uniform policy has taken its place. Australia is building its local fleet, which it will maintain, pay for and control; Canada will shortly be building Dreadnoughts to station in the North Sea, which will be maintained, paid for and controlled



## Policy and Sea Power

temporarily, at any rate, by the British Admiralty; New Zealand has built a ship, but is, it seems, in some doubt whether to station it in the North Sea or on the New Zealand coasts; South Africa has not made up her mind what to do. Lastly, whatever the difference in their policy, all the Dominions except Australia—and that exception is only partial—look, at present, to Great Britain to man their ships. Even the attitude of the Admiralty is far from clear. Strategical considerations pull it one way, political another.

It was only last May that Mr Winston Churchill, in commenting on the increasing restriction of the world-wide mobility of the British fleet, went on to emphasize the opportunity that lay before the Dominions. It seemed to him that if the main developments of the last ten years have been the concentration of the British fleet in decisive waters, the main developments of the next ten years will be the growth of effective naval forces in the great Dominions oversea. "Then we shall be able to make what I think will be found to be the true division of labour between the Mother Country and her daughter states, that we should maintain a sea-supremacy against all comers at the decisive point and that they should guard and patrol all the rest of the British Empire."

Mr Churchill's picture may, perhaps, paint truly the broad outlines of future development. But it is important to notice that he does not deal at all with the question of control. It is, further, to be noted that he has, in the instance of Canada, departed from the policy which he sketched in the above words. It has already been shown that in the memorandum addressed to Canada the Admiralty did not suggest the creation of a local fleet unit to be stationed in Canadian waters, but asked for the immediate construction of the "largest and strongest ships of war which science can build or money supply," obviously supposing that these ships should not "patrol the rest of the Empire," but be stationed in the North Sea. In these two inconsistent statements of the Admiralty are contained the

## Policy and Sea Power

two main alternative policies now before the Empire, and it is worth while to examine them more closely.

Mr Churchill's suggested division of labour between Great Britain and the Dominions appears to contemplate the development of several local navies, such as that now being established in Australia. What it is important to observe is that in the present stage of the Empire's development a local navy means a navy locally controlled. There was a time some ten years ago when squadrons of the British navy were stationed locally in Australia, Canada and elsewhere. But they were under the sole control of the British Admiralty and were in no sense what are now known as "local navies." If ultimately some common Imperial control is developed, there may again be local squadrons under some common authority. But, as things are, a local fleet, at any rate in time of peace, means local control. Such local fleets have their disadvantages and advantages. In the first place, several separate local fleets may obviously conflict with the principles of strategy. They will not necessarily be stationed where strategy requires them, but according to the wishes of each Government. There will be no unity of control, no cohesion between the different fleets, no common training, no common service. A small fleet affords less scope for its officers and is, therefore, less efficient. It is not absolutely certain that even in war time such local fleets will be at the service of the British Admiralty. And since they cannot be relied upon, they must count for very little in the Admiralty's calculations of strength. Lastly, in this critical period of the Empire's history, they add little to, and may even detract from, the fighting value of the Empire's fleets. For unfortunately local navies take a long time to reach any pitch of usefulness or strength. It is not a question of building ships, but of training men. A Dreadnought can be built in two years, and to build a whole fleet is simply a question of money. But it takes ten years to train an officer, seven to train a petty officer and five to train a seaman. To build up the intricate and slow-growing



## Policy and Sea Power

organization of a navy is thus a matter of decades rather than years. The Australian Government contemplates that the creation of its full fleet unit will take twenty-two years. Any Dominion, therefore, that starts to-day to create a local navy is compelled to apply to the British Admiralty for the loan of officers and men. In Australia, it is true, recruitment has in the circumstances been very satisfactory, and something like one-third of the 2,000 or more seamen employed or being trained are now Australians. But the officers are English, and, as an Australian writer in *The Times* recently said, "it is plain that for many years the senior officers of the Australian fleet will have to be drawn from the Royal Navy." In Canada it would probably be impossible to obtain even seamen, and her ships, if manned at all, would have to be manned from the Royal Navy. She would then be actually weakening and not strengthening the Empire's effective strength. Owing partly to the unfortunate disarmament episode of the years succeeding 1906 and the consequent slackening in recruitment, the British navy cannot spare one officer or one man. There is no difficulty about getting recruits. But they are useless without training, and they cannot be trained under five years.

Another disadvantage in local fleets is that they can in present circumstances only work within restricted areas, such as were laid down at the Imperial Conference of 1911. So long as the British Government is responsible for the foreign relations of the whole Empire, reasons of international law and diplomacy make this inevitable. It would be impossible for the British Government to be responsible, in foreign waters, for the action of fleets over which it had no control.

But while there are great disadvantages about local navies, particularly in view of the actual situation, there are great advantages too. It is difficult to see how else the interest of the Dominions in their own ships can be excited. To sign a cheque will never satisfy their patriotism. Simply to give money or ships to be controlled wholly by



## Policy and Sea Power

a Government which in no way represents them is odious to their self-respect. They must feel something of the pride of ownership; their ships must be manned by their own countrymen. A local navy alone satisfies their self-governing instinct. How, for instance, can the naval instinct of the New Zealand people be kept alive by a ship stationed in the North Sea and manned by Englishmen?

The plan now temporarily adopted by the Canadian Government of stationing ships in the North Sea, though it labours under some of the above difficulties, tries to meet them by obtaining for Canada representation in Imperial Councils. It remains to be seen how effective this new feature is felt to be by the Canadian people, and in what direction it will develop. If the plan is adopted by the Canadian Parliament, the Canadian ships will not only be stationed in the North Sea but will be manned and paid for by Great Britain. There is a danger, therefore, that they may be felt to be not really Canadian ships, and that they may fail to arouse any enthusiasm among Canadians for their own navy. They are not helping to build up any distinct Canadian fleet unit. There is, too, a danger that the plan of stationing Dominion ships in the North Sea may, in the long run, tend rather to relieve the British taxpayer of his burden than to add to the effective strength of the Empire. Not only will there be always the strongest temptation for the First Lord of the Admiralty to reduce his estimates for construction to a lower figure than he would otherwise have done, but he will be able legitimately to point out that it is useless to place on the British taxpayer too heavy an annual charge for maintenance and upkeep of ships in the North Sea. It is no good maintaining a larger margin of strength than is necessary. Moreover, not only has the British taxpayer to meet the cost of maintaining the Dominion ships, but Great Britain has to find their crews. And while it is very possible, therefore, that Dominion aid in the North Sea may not in the long run largely increase the Imperial naval forces in that quarter, it will obviously

## Policy and Sea Power

do nothing to remedy the serious position of affairs in the other seas of the world to which attention was drawn in the first part of this article.

On the other hand the plan has a very great temporary strategical advantage. Indeed, if Canada is to do anything effective at the present critical juncture, the plan is the only possible one. For the time of tension is now, and its place the North Sea. Not only would any small beginnings of a local Canadian navy be perfectly useless to Great Britain, but they could not even be started without draining the British navy of officers and men which it cannot afford. For the moment, therefore, Mr Borden's plan is the only effective one. But it does not in the least commit the Canadian people permanently. The critical situation in the North Sea may be past in a few years and Canada may find another line of development desirable.

In a question of this magnitude and complexity the evolutionary stages are bound to be gradual and it would be the greatest mistake to force the pace by attempting to impose an unnatural uniformity. But there is one step which might well be taken at once by every Dominion. Whatever part in naval defence they play, and wherever their ships are stationed, they must all without exception wish to provide their quota of efficient officers and men. To build up a properly trained service is the most important work to be carried through in the creation of a fleet and the most lengthy and difficult. Let each Dominion follow Australia's example and start a Naval College for the purpose. Then in a few years' time they would have a nucleus of trained men for their own ships if they wanted them, without drawing on Great Britain's resources.

Everything points to the desirability of holding a Conference shortly on naval affairs between the responsible authorities of the Empire at which this and other matters might be raised. Australia has indeed asked for a Conference for the purpose, it may be supposed, of getting some more light on the question of future Pacific policy, a matter almost



## Policy and Sea Power

equally important at this juncture to New Zealand and Canada. An understanding between these three Dominions with regard to the Pacific would be a great step forward. Then, again, the South African Government are anxious to settle with the Imperial Government the lines on which they should co-operate. And lastly a conference would afford an opportunity, which all the Dominions would probably welcome, for a further elucidation of the Imperial Government's proposals with regard to the Defence Committee.

It is not to be supposed that any such conference could finally determine the path of future progress, or even perhaps take a definite decision between the two main alternative policies sketched above. But it might do much to carry Imperial naval evolution a stage further. Neither the local navy nor the temporary Canadian plan represents a final development. Each has the defects of its qualities, and in the final outcome the qualities of both must be combined. The local navy in the present conditions of Imperial organization sacrifices unity of control; on the other hand, a centralized navy in the North Sea and the Mediterranean will do nothing to nourish the growth of naval sentiment in the Dominions. Unity of control is all-important; but so is the sustained interest of each community in its own fleet. The task of the future is to harmonize the two.



# THE UNIONISTS AND THE FOOD TAXES

## I. FORECASTS: FULFILLED AND UNFULFILLED

**I**N the September number of *THE ROUND TABLE* an attempt was made to consider the extent to which the Unionist party was handicapped by the food taxes, and to estimate the effect which might be anticipated if this item were to be dropped out of the official programme. This article was written at the date of the Autumn adjournment. Mr Bonar Law had then been leader of the Opposition in the House of Commons for close on a year. The conflicting prophecies of crushing disaster and of immediate triumph which Mr Balfour's retirement had elicited from the prophets had not been fulfilled. The state of things at the end of the Session was perhaps less favourable for the Government than it had been at the beginning, but the process of deterioration had not been more rapid than was to be expected in the ordinary course of nature when a British ministry has reached the venerable antiquity of a seventh year of office.

By this time it was plain to the Opposition that the revival of their fortunes had not proceeded so rapidly as they had hoped, and all good party men were earnestly engaged in searching for the reason. Among other influences which fell much under suspicion during this inquest were the food taxes. While these were adhered to, or at least tacitly accepted, by all candidates and political

## Forecasts: Fulfilled and Unfulfilled

organizers, they were certainly not held with enthusiasm by more than a minority. So much was clear; so much was known to all men—to the Liberals as well as to the Unionists themselves. But the remedy was far from clear to the party which needed it, and the future course of events was obscure alike to the philosopher and to the caucus. What apparently had been grasped by no one at this time was the immense preponderance in numbers of those who doubted, over those who believed in the official policy; and what had been foreseen by no one was that within a short six months this great mass of unsecured opinion and unsettled conviction would suddenly shift its position, like loose cargo in a rolling ship, and thereby introduce new problems of navigation. But what problems? Has this surprising accident restored the true balance and trimmed the vessel, or has it made matters worse than before by giving her a fatal list as she staggers on her way amidst heavy seas? It is too early to offer any certain answer. The most we can do with any profit is to see how far our previous calculations have been upset by the progress of events.

The article in the September number of *THE ROUND TABLE* pointed out that the disfavour with which the food duties were regarded by the dwellers in towns was not counter-balanced by any very manifest signs of enthusiasm for them in the rural districts. The artisan appeared incredulous when he was assured that a preference on Colonial wheat and other forms of food would induce the Dominions to lower their tariffs so far as to give his own products fair play in their markets. He was equally incredulous when assured that any rise in the cost of his food would be made up to him by re-adjustments of taxation and by reductions in the price of other articles of his household consumption. He persisted in asking the old question—"Why can't you give me the advantages of protection for my particular industry against the foreigner, without saddling me with the disadvantages of dearer food?" The agricultural labourer, on the other hand, seemed more inclined to agree with the artisan's

## The Unionists and the Food Taxes

objections to the enhanced cost of living than hopeful of a rise in his wages, to be brought about by the increased prosperity of the farmer. Nor did the farmer himself seem to be very much elated at the prospect of a two shilling tax upon every quarter of wheat,\* seeing that it was not proposed to levy this duty against his most active and progressive competitors, the grain-growers of the Dominions oversea.

While the food duties were therefore very unpopular in certain directions, they were actually popular in none. But if they were given up it seemed to be the general opinion that Preference must be given up also. This would have been like taking the soul out of Mr Chamberlain's original policy, the main aim of which was to bring about the closer union of the Empire. The means to this end he had clearly stated as entailing a present sacrifice. The material benefit of protection for British industries he had only offered as a subsidiary, though important, compensation. He had said that if this country "wanted to give a Preference to the Colonies, it must put a tax upon food." His followers had devoutly repeated this maxim after him for close on ten years. His opponents had echoed it in even louder tones; and it was reasonable, therefore, to suppose that the belief had become firmly fixed in the mind of the country.

Certain persons, it is true, had from the beginning maintained the contrary view, that Preference *could* be given in some measure without food duties; that while a comprehensive system of Preference for the Empire might possibly not be attainable except by this means, the *principle* nevertheless could be introduced without touching "the poor man's loaf"; that encouragement could be given to various infant industries overseas, even upon our present tariff, and still more so if all luxuries and manufactures

\* According to Whitaker, about 500 lbs. of grain. Probably the yield in flour would be from 330 to 370 lbs. It would be interesting to know how many people who have been discussing the wheat tax have any idea of these figures.



## Forecasts: Fulfilled and Unfulfilled

were placed at the disposal of the Chancellor of the Exchequer for this object. Other matters also were mentioned as having preferential possibilities—matters of freight, matters of finance, matters of taxation, in which Imperial privileges of no mean character might be conferred. But none of these advocates had found an audience. For the most part, either from want of vocal powers, or from loyalty to their party, they had not spoken in tones loud enough to be heard above the party hum.

The gospel of Preference without food taxes had not been preached boldly in popular assemblies, but only timidly and furtively in certain secluded catacombs. It was a heresy which men dared not admit without putting their political lives in peril at the hands of a secret society known as the "Confederates," whose aim was the propagation of the true faith by the extinction of unbelievers. For these reasons in August last the inference was drawn in *THE ROUND TABLE* that, although the Unionist party was sorely embarrassed by the food duties, its reputation would be ruined if it gave them up. For Tariff Reform would then become an ordinary protectionist programme, as in the United States, or Germany, or Canada, or Australia, to be judged upon its merits or demerits as a method for benefiting the employers and the wage-earners of the United Kingdom. As a means of promoting the closer union of the Empire it would have lost its chief virtue, not merely with the country, but also in the eyes of the party which continued to advocate it. It seemed therefore all but impossible that the food duties could be dropped without, in effect, abandoning the whole policy of Preference, without demoralizing the Unionist party, and without splitting it into two hostile sections.

The commentator upon current events, in the drama which he endeavours to unfold, lacks the signal advantage of the historian who, as he foretells only what has already happened, can, without difficulty, make his plot accommodate itself to the conclusion. The less fortunate chronicler

## The Unionists and the Food Taxes

from hand to mouth is thrown back on prophecy; and prophecy, though it has its own attractions, is beset with dangers. The present situation affords an instance. For the food duties have been dropped, at any rate for immediate purposes. The Unionist party, nevertheless, has not split in twain, but remains to all appearance firmly united. Whether it be demoralized or not in a political sense, no one as yet can say; but the signs up to the present are certainly not conclusive in favour of this forecast. Finally, it is stoutly maintained by the whole opposition in an apparently harmonious chorus that the policy of Preference still remains a fundamental article of their creed. Their professions may or may not be sincere; but, at any rate, it is prudent as well as generous to give them the benefit of the doubt.

In the attitude of the Liberal party and their allies during the recent crisis and subsequently the prophet may, however, find some consolation for the partial failure of his forecast in other directions. The Coalition has not been slow to point out that the Unionists, whatever they may profess, are in fact abandoning Preference altogether and falling back on protection. Mr Chamberlain, they now tell us, stood for a "splendid," though mistaken, idea; and he was fully justified when he asserted that food duties were necessary for its realization. Lord Hugh Cecil and the Unionist free-traders who suffered martyrdom in 1906 were also justified when they said that the country would never tolerate taxes upon food-stuffs. But the bulk of the party which wobbled along eagerly after Mr Chamberlain, when he was there to sustain their courage, and who are now seen wobbling away still faster in the opposite direction—the courage having oozed out of their hearts—are not justified in anything, are utterly forsworn, and are fit objects for contempt and derision. Mr Bonar Law in particular is attacked for the reason that, having said he was not the man to haul down the flag, he has nevertheless consented to remain in command of the ship after the flag has been hauled down by



## Forecasts: Fulfilled and Unfulfilled

others, in spite of all his warnings and entreaties. The rank and file have bolted, and, after a little hesitation, Mr Bonar Law has bolted after them. With such rank and file, say the Liberals, and with such a leader, how can the rout be stayed? What can be the result for years to come but discredit and demoralization? And meanwhile, upon the crowd of hurrying fugitives, the whole battery of free-trade argument "on the facts" has opened a vigorous and exultant fire. As to the abandoned food duties, the Liberal cry is—"We told you so"; as to the rest of the protectionist farrago of ignorance, self-interest, and quackery, these will have to go too in no long space of time. And by all the rules of logic, and by all the texts of the philosophers, it is shown conclusively why, and even when, the last, moist, dismal, soot-streaked undulations of the snowdrift of Tariff Reform must disappear for ever from the fair meadow of British politics.

This is the Liberal attack and regarded from a party point of view it is certainly not without justification. It is hearty and confident. Will it be equally effective? Logic is only potent if the country will listen to it. Artillery fire is only devastating, if it hits people. The guns before Magersfontein played so vigorously and exultantly that it seemed to the beholders looking through Zeiss glasses as if the whole hill face had been removed. But for the most part the Boers lay there unharmed, incommoded only by the unpleasant smell of lyddite from the exploding shells. Moreover, demoralization in a party sense is not what we may hope it is in the case of private consciences, nor indeed, what it certainly is in regard to national beliefs and emotions—things which are strangely different from the tactics of the "Ins" and "Outs." It is not the conviction that you are a bit of a rogue, but the conviction that you are likely to be a loser, which produces that demoralization so much dreaded in their own case, and so much desired in the case of the enemy, by the head-spiders who sit in central offices. In normal times, the spirit of party politics varies to and



## The Unionists and the Food Taxes

fro somewhere between that of a cricket match and that of a pitched battle. Only in moments of great exaltation does it reach the level of a faith or a religion, where truth ranks higher than dexterity. At the General Election of 1900, the Unionists knew that they were rogues when they sought to identify the whole Liberal party with a few dis-tempered fanatics who wished success to the Queen's enemies. And at the General Election of 1906, the Liberals knew that they were rogues when they went to and fro persuading the electors that Mr Balfour's Government had introduced Chinese slaves into South Africa. But in both instances, the slimness of the manœuvre resulted in victory, and consequently, the only political demoralization which manifested itself was among the side which was injured by these proceedings. Poetic justice, in fact, is no more an operative principle in party tactics than it is among the "bulls" and "bears" of the Stock Exchange.

But party tactics is not the only aspect under which this matter presents itself to our view. In the long run a party will survive by its sincerity or perish for the lack of it. Though it may use all the deceits of war and the chase to perplex and discredit its opponents, though in minor articles it may profess and disavow with comparative impunity, it cannot forswear its fundamental principles for the sake of a momentary advantage without entailing upon itself a more deadly disaster than that from which it has sought to escape. It is from this point of view that the recent crisis in the Unionist party will now be considered. What their opponents think of them is, comparatively speaking, of but trifling importance. What they think of themselves is everything. And there is another reason for a full inquiry in the fact that, judged by its professions, Unionism, even more than Liberalism, has hitherto stood out as the champion of Imperial consolidation. The credit and sincerity of the Opposition in regard to this particular issue of Preference and the food taxes, bound up—as they have always alleged it to be—

## The Albert Hall Speeches

with the closer union of the Empire cannot, therefore, be a matter of indifference to those persons in the Dominions who are watching British politics with less interest in the game than in the great stakes for which the game is played, with more concern for the victory or defeat of certain ideas than for the triumph or humiliation of the Big-Enders and Little-Enders, whom Mr Gulliver met with on his travels.

### II. THE ALBERT HALL SPEECHES

**I**N the present article an attempt will be made to examine this matter of the Unionist party and the food taxes from within rather than from without. We shall endeavour to set forth as sympathetically as possible how the various sections of the Unionist party and their spokesmen upon platforms and in the Press have sought to justify the recent revolution in their policy, and how they have reconciled it, or have attempted to reconcile it, with their previous professions.

It is a curious fact that whereas up to the time of Mr Balfour's resignation the Unionist party, when it engaged in self-criticism, usually inclined to attribute its despondent fortunes to the failure of the leader to grasp the nettle of the food taxes with firmness and enthusiasm, no sooner had Mr Bonar Law been installed in the succession than the real or supposed incubus of these same duties became the chief topic in private confabulations. On Tariff matters Mr Balfour lay under the suspicion of agnosticism. Mr Bonar Law was known for a Tariff Reformer of the most unimpeachable orthodoxy. Whether the change in the trend of quidnunc opinion which then set in was due to that simple human impulse which causes mankind to argue from its present discontents that whatever is is worst, or whether it was really due to external causes, it is difficult



## The Unionists and the Food Taxes

to be certain. There is little doubt, however, that by midsummer, 1912, more than half of the Unionists in the House of Commons would have been profoundly grateful if they could have got rid of the food duties without appearing to abandon their principles. Undoubtedly the continued rise in prices had a good deal to do with this attitude of mind. All over the United Kingdom—indeed, all over the civilized world—there had been strikes and demonstrations, due ostensibly to this cause. Everywhere the cry was heard that while trade was active, while employment was less hard than usual to obtain, yet wages had not risen sufficiently to make good the increased cost of the household. Was it in these circumstances, people began to ask, that the Unionist party would find the man with a small income more favourably inclined than formerly to listen to their proposals for adding to the cost of his living by imposing a burden of fresh taxation? And also was it true that those very farmers of Western Canada that grew the wheat, that demanded the tax, that threatened the loaf, that fed the man, that swore at the mere mention of food taxes, had said clearly and positively that they “didn’t give a cent for the food taxes,” and that at a recent memorable election when Reciprocity was defeated, they had voted in accordance with this sentiment?

About this time Mr Borden visited England. What Mr Borden said to the Unionist leaders is not known, and what they may have said to him is equally obscure, but it is certain that the Prime Minister of Canada, being of a thoroughly constitutional disposition, never committed himself to any public statement on this subject. He never said that Canada did not want the food taxes, which would have released the Unionist party from its dilemma in the most agreeable manner. Nor did he say that Canada did want them, which would have done the next best thing by setting the question at rest and thereby confirming the faith of many who were consumed by the tortures of doubt. Mr Borden said nothing at all. He left the Unionist



## The Albert Hall Speeches

party to settle its own affairs by the lights of its own intelligence. With an equal discretion, he abstained from discussing Canadian party issues before British audiences. And in both respects, he set an excellent example to other itinerant statesmen hailing from the United Kingdom and elsewhere, which it is to be hoped that they will lay to heart for future use.

There is no doubt, however, that to many members of the Unionist party Mr Borden's judicious reticence was a cause of great disappointment. They had looked to him to cut the Gordian knot, but he set sail nevertheless from Liverpool amid smiles and expressions of good feeling, leaving the cord of fate in as tight a ravel as before. It was assumed, however, both by the orthodox food-taxers and by those who held the opposite view—though precisely why it is difficult to understand—that if Mr Borden had not considered Mr Chamberlain's full policy to be essential to Preference from the Canadian standpoint, he would have taken an opportunity of making this clear. For some time after his departure, the subject remained in a state of more or less gloomy quiescence. The one section of the Unionists was sullen, while the other section was by no means elated. The party in this respect was not unlike an army whose advance is arrested for reasons which have not been officially disclosed. The Commander-in-Chief is believed to be holding councils of war. Meanwhile, discipline is relaxed, authority is discredited, and every fool becomes his own strategist.

During the month of November there was a great gathering of the representatives of the two wings of the Unionist party—the Conservatives and the Liberal Unionists, now for the first time harmoniously united in one organization. Before this assembly took place there appears to have been a certain amount of what Mrs Carlyle used to call "hithering and thithering." People of importance in their various localities were in a stir—wanted things done, wanted things said; but, as is usual with people of importance, each of

## The Unionists and the Food Taxes

them wanted a different thing done or said. And the chief topic of their disagreement was the food duties. Were they still an integral part of the programme? In the case of a Unionist victory at the next election, were they to be imposed without more ado? Or, were they to be submitted to a referendum? Or, were they to become a vital issue only at a second election?

The leaders of the party, Lord Lansdowne and Mr Bonar Law, were billed to speak at a great demonstration at the Albert Hall upon November 14, after this conference had brought its labours to a close. They were urged to speak out; and by most people, they were urged to speak out in the sense which the urger favoured. Perhaps it would have been best if they had been besought to utter the faith which was in them, loudly and firmly, as leaders whose business it is simply to tell men to follow them. For it has seemed to many people on both sides that what the Unionist party needs most of all, and has needed ever since Mr Chamberlain's retirement, is not so much a policy as leadership. Among masses of men, co-operating for any serious purpose of war or politics, there is a healthy human craving to be kicked from time to time. Being diffident by nature, they are much comforted when they realize that the head-man has more faith in his own clear individual opinion than he has in the flickering emanations of their collective wisdom. And also, they like to feel that they are led by some one who is not in the least afraid of them—a leader, who will tell them without a quaver in his voice that he is going to do a certain thing—and that they will be good enough to do it too—without stopping to reckon whether ten per cent or ninety per cent of his followers agree with him. Such a leader knows beforehand that the majority will certainly agree with him, whatever he may say; for the majority are always men of action rather than philosophers, and to them, the firm tones of command are the most potent and conclusive of all arguments.

But such leaders are rare, and Mr Bonar Law is not one



## The Albert Hall Speeches

of them. His natural temperament, his comparatively recent elevation, the method by which he was chosen—all combine to make the ideal *rôle* a peculiarly difficult one for him to play. Mr Bonar Law was chosen by the party to be their leader, and he was elected to this high position of honour and power because the competing claims of two other candidates, senior to him in rank, were considered to be dangerous to the unity of the party. But the ideal leader is not either chosen or elected: he seizes upon power by conquest; wins possession by violence; his followers submit to him, as Katharine submitted to Petruchio, not because of the amiability of his manner, or the virtue of his character, or the correctness of his logic, but only because there is a strength in him which they cannot resist. It is a complete reversal of the order of nature when the *Party* poses as the superior being, and confers the leadership as a kind of favour upon some meritorious person, who thereupon is expected to express profound gratitude for their condescension. That party is most fortunately led which has yielded to the force of a character more powerful than its own, which has submitted to a leader in whose promise of protection it trusts to find security and in whose overbearing vigour a way to victory over the Gentiles.

Mr Bonar Law, as yet, at all events, has considered it his duty to defer to some considerable extent to the opinions, or the supposed opinions, of his party. This is not to impugn his courage and integrity either as a private gentleman or as a political leader. On the contrary, he had said clearly and with dignity, that if the party should decide to abandon principles in the truth of which he is convinced, he will ask them to accept his resignation, and to choose a more accommodating successor. But here is the essential difference; for the ideal leader regards all talk of a successor as treason, and if he speaks of resignation, it is only as a threat, far more terrible than any possible results of obedience to his commands.



## The Unionists and the Food Taxes

Seeing that it was not easy, and perhaps was not even possible, in the circumstances, for the Unionist leaders to play the part of Petruchio, and to crack a whip over the heads of their faithful followers at that momentous meeting in the Albert Hall, perhaps the next best thing would have been for them to have treated the matter of the food taxes according to the famous query of Lord Melbourne—"Why can't you leave the damned thing alone?" There was also open to them the way of Disraeli, who used to wrap his intentions in a grandiose obscurity and to trust "to the sublime instincts of an ancient people." Neither of these plans was adopted. The method chosen was an elaborate, reasoned, detailed, and, it must be added, a somewhat clumsy explanation. But upon the very eve of the meeting a fortunate distraction occurred which, for the moment, served the purpose almost as well as either of these subtle precedents.

A few days before the Albert Hall meeting the Government, taken unawares, had suffered defeat upon the financial clauses of the Home Rule Bill. Their efforts to remedy this disaster were not at first successful. The Speaker held that the particular method they proposed, though in order, was without a precedent; and the Opposition, thereupon, prevented a precedent from being created by raising a clamour and stopping the proceedings of the House of Commons. This incident is now ancient history, and has sunk into insignificance or oblivion during the three months which have since elapsed. But at the time it bulked very large, and the whole of the Unionist party was filled with pride at having inflicted a double check upon their opponents, and at having wasted a precious week of Parliamentary time. The great audience was all agog to have the morals of the glorious victory expounded to them, and to welcome the hero under whose personal direction it had been achieved. Mr Bonar Law did not disappoint his enthusiastic admirers, and as a consequence, the reasoned arguments of Lord Lansdowne upon the subject of the fiscal policy and

## The Albert Hall Speeches

the food taxes did not excite much attention at the time—or indeed afterwards, until another event caused people to look up the back files of their newspapers, in order to discover the genesis of a party crisis.

Lord Lansdowne stated clearly that if the Unionists won the next General Election there would be no referendum, either upon Tariff Reform as a whole or upon any part of that policy. He foreshadowed communications and negotiations between the home Government and the Dominion Governments before the introduction of a fiscal change, and he stipulated for a free hand. He continued:

If . . . the great Dominions ask us to grant them in return for substantial advantages which they will be prepared to give us—if they ask us to give them a moderate duty upon foreign wheat, sufficient to bring into our markets the great unlimited granaries of Canada and Australia, we shall not be deterred from examining their proposal by the mere statement that it will involve the taxation of food and that all food taxes are unholy things . . . We shall be prepared to give a twofold undertaking, so that there can be no doubt in the minds of the people as to our meaning and intentions. In the first place, we are ready to undertake that we will specify precisely and exactly the amount—the limits within which we propose to resort to taxation of this kind—and we undertake that we will not exceed those limits without further authorization from the people of this country. (Loud cheers.) That is one undertaking, and the other is this: we will undertake that any revenue raised from taxes of this kind shall not be treated as ordinary revenue, but shall be used for the purpose of alleviating other burdens falling upon the shoulders of the working classes. And in this way we are confident we shall be able to make good the assurance . . . that Colonial Reciprocity should not involve any increase in the cost of living for the working classes of this country. (Loud cheers.)

Mr Bonar Law, who followed, made what the newspapers are wont to describe as a “strong fighting speech.” As to Tariff Reform, he concurred “with every word which had fallen from Lord Lansdowne”; but he had other matters of a more exciting character to talk about, and even when, towards the conclusion of his speech, he came to deal with fiscal matters at some length, he did not pursue the subject either so definitely or so systematically as his colleague.



# The Unionists and the Food Taxes

## III. THE ASHTON SPEECH.

A MONTH later Mr Bonar Law spoke at Ashton-under-Lyne. It cannot be said that in the interval any outward signs had given warning of an impending crisis. So far as we are aware, the only newspaper of importance which adversely criticized the fiscal policy which had been announced—or rather confirmed—at the Albert Hall was the *Liverpool Courier*, which, affecting to speak on behalf of Lancashire, had vigorously urged the necessity of submitting any Tariff Reform budget to a referendum. But this single voice appeared to be that of one crying in the wilderness. The referendum was clearly impossible for two reasons; the first, that it had just been most solemnly abjured by the leaders; the second, that since Mr Balfour had first proposed it in a hasty moment on the eve of the General Election of December 1910, most persons in possession of their reasoning faculties had perceived it to be absurdly and mischievously inappropriate to the particular purpose of settling the amount, the distribution, and the basis of taxation.

But as events have proved, the *Liverpool Courier*, though it had got hold of the wrong end of the stick in insisting upon the referendum, was by no means a solitary dissenter. It seems tolerably clear that there must have been private grumblings from many quarters, but especially from Lancashire. There was a by-election at Bolton on November 24 which the Opposition failed to win. The hostile Liberal majority of 1,600 was only reduced by something less than a third. This may have been the fault of the Unionist candidate or the merit of his opponent; but it was open to anyone who chose to do so to put the blame upon the food taxes. The result was a disappointment, no doubt, to the Opposition, but it is exceedingly difficult to see why it should have thrown them into a panic. Outwardly, indeed, there was no panic; but under the surface, it is clear that there was some-



## The Ashton Speech

thing of the kind. It is probably not incorrect to surmise that a few days before the Ashton speech the private grumbings and mutterings of Lancashire co-ordinated themselves into some kind of official protest; that Mr Bonar Law thereupon consulted his colleagues, with the exception of Mr Austen Chamberlain who (as on that other notorious occasion when the referendum was adopted) happened to be addressing a series of meetings in Scotland, and that the speech to which we now come was, in some of its most important particulars, the result of the combined prudence of this hastily summoned council of war.

The Ashton speech was a long and elaborate statement. According to the fashion which at present prevails among eminent politicians, it roamed over a very wide field and dealt at considerable length, first, with various aspects of Social Reform, and afterwards, with the whole range of the fiscal question. It was interesting, and in the earlier part showed not only thought and sincerity, but also courage. In the latter part of it, however, the palpitations of the council of war were distinctly audible, and it was to these alone that attention was paid when the speech appeared next morning in columns of cold print. With regard to the food taxes, the line which Mr Bonar Law followed may be gathered from the following extracts:

We intend also to try to secure for our own people the largest possible amount of preference in the oversea markets of the British Empire. That is our policy. It is these preference proposals which raise the question of food duties, which, you know, is always rejoicing the hearts of our opponents. . . . We know as well as our opponents how well these food duties lend themselves to misrepresentation, and we know better than our opponents what good use they will make of these misrepresentations. It would have been easy for us to abandon it. We could have dropped them altogether, or we could have dealt with them in another way. We could have done as our opponents did with Home Rule at the last election. We could have said nothing about them. (Laughter and cheers.) We have not adopted that plan. . . .

We have not abandoned the food duties for two reasons. The first is that, in our opinion, it is essential for this country that we should

## The Unionists and the Food Taxes

at least retain and, if we can, increase the preference for our manufactures that we enjoy now in the oversea Dominions of the Crown. But there is another reason. For nine years we have advocated Preference as a step towards Imperial unity. We have advocated it for nine years, and in my opinion at least, this is not the time to haul down the flag, after the elections in Canada last year (cheers), which caused an outburst of Imperial sentiment that impressed and, I believe, astonished the world; and still less is it the time when the Colonies are moving with such magnificent spirit to help us in the difficulties of the Empire. For nine years we have kept the flag flying, and if there is any sincerity in political life at all, this is not the time, and, at all events, I am not the man, to haul down that flag. (Cheers.) . . .

If our countrymen entrust us with power, we do not intend to impose food duties. What we intend to do is to call a conference of the Colonies to consider the whole question of preferential trade, and the question whether or not food duties will be imposed will not arise until those negotiations are completed. We are told that the Colonies have made no offer, that they do not wish such an arrangement. If that is true, no food duties will be imposed in any circumstances. (Cheers.) We do not wish to impose them. They are not proposed by us for the sake of Protection, and there is no Protection in them. They are proposed solely for the sake of Preference, and if when the conference takes place the Colonies do not want them—I will put it far stronger than that, unless the Colonies regard them as essential for Preference—then also the food duties will not be imposed. All that we ask is that our countrymen should give us authority to enter into that negotiation, with power to impose certain low duties on foodstuffs, and within strict limits which will never be increased. (Cheers.) . . .

We do not want to impose these duties. I hope it will be possible—and I think it may be possible—that if any readjustment is necessary it will only be a duty on wheat. I hope so, but I do not think it would be reasonable to ask the Colonies to meet us if our power of negotiation were strictly limited in that way. . . .

If the Colonies do not think those duties necessary for Preference, they will never be imposed. If they do think them necessary, then I, for one, do not believe that the people of this country would not be ready to make that readjustment which is necessary to effect the purpose.

Looking at these statements after the heated controversy has cooled down, when the change in policy has been accomplished, when the threatened rupture of the Unionist party has been avoided and has ceased to be a nightmare to the



## The Ashton Speech

whips and the organizers—looking at the speech now in cold blood it does not appear to be so very different in meaning from that delivered by Lord Lansdowne a few weeks earlier. There is a great change in emphasis; but the chief difference is that at the first time of calling the Unionist press paid little or no attention, while the second time of calling found it with leisure and inclination for examining carefully what the statement implied. But there are also certain actual differences of some importance:—If the Unionists win the next General Election, an Imperial Conference will be called to discuss the question of preferential trade: unless the colonies regard British food duties as essential for the policy of Preference, they will not be imposed: the Unionists do not want to impose these duties: they are not suggested with any idea of protection or of benefiting the farmer; but solely with the intention of making Preference possible. All this was very near what Lord Lansdowne had said upon the previous occasion, and yet it was very different. It will, perhaps, be remembered how Bismarck “edited” the famous Ems telegram in July, 1870, and how, by a few apparently harmless omissions, by a few magical trivialities of arrangement, he presented the royal message to his delighted companions, Von Moltke and Von Roon, “no longer sounding a parley but a challenge”—a challenge which, within a few hours, made war between Germany and France a certainty. Mr Bonar Law at Ashton accomplished something of the same kind, but in the opposite direction. Any fibre there may have been in the Albert Hall pronouncement had entirely vanished. To the urban interest he made it clear that he deplored the necessity for food taxes. To the agricultural interest he made it equally clear that their requirements had not entered into his consideration.



# The Unionists and the Food Taxes

## IV. THE PRESSMEN'S BATTLE.

WHAT followed was a pressmen's battle. Those important parliamentary personages who are denoted, perhaps correctly, by the phrase "responsible politicians," for the most part took cover and waited. The field was thus left almost entirely to the journalists. It might be useful if time and space permitted, to consider the part which is played in public affairs from time to time by individuals whose portraits rarely figure in the illustrated papers, whose names mean little or nothing to the man in the street, and who never enter Parliament or adorn cabinets. For a thousand who are familiar with the great deeds of Mr Asquith and the late Sir Henry Campbell-Bannerman, probably not more than one has ever heard of Mr Alfred Spender of the *Westminster Gazette*; and yet it is but the simple truth that no character upon the Liberal side did more to keep that party together after their defeat in 1895, or more to guide them to their great victory in 1906, or more to help them over their various difficulties for the past seven years while they have been in office, than this unassuming gentleman, with his quiet and conciliatory manner, his cool and sensible judgment, his deadly eye for a tactical opening, his consistency, his perseverance, and his almost unbroken cheerfulness and good temper under the strokes of adversity. And leaving the region of political strategy and tactics for that of political ideas, we are met by the same phenomenon. For a hundred people who are fairly conversant with the aspirations of Mr Bonar Law and Mr Churchill, of Mr Austen Chamberlain and Mr Lloyd George, not more than one, in all probability, has ever heard tell of Mr Garvin of the *Observer* and the *Pall Mall Gazette*, or Mr Massingham of the *Nation*, the *Daily News* and the *Manchester Guardian*, although, in the case of these two gentlemen, the rule against publicity is not so austere practised as by their more self-effacing

## The Pressmen's Battle

brother of the *Westminster Gazette*. And yet both of these writers, in their different ways, have the apostolic gift; and the ideas which they generate work like yeast in the Parliamentary dough. Behind these again—behind the great journalists who day by day write down the faith or the shrewdness which is in them, are figures of unknown influence—Lord Northcliffe, and Lord Burnham, and other shapes, immense like mountains, like mountains obscure and misty, inert to all appearance, but perhaps, to eyes capable of focussing and containing nature on so grand a scale, really alive and sentient, exercising volition in some sæcular, impenetrable, and majestic way upon the affairs of that human dust, which spins in little whirls and spirals of ecstasy and anger from Fleet Street to the old Palace of Westminster and back again.

On the afternoon of the day when Mr Bonar Law made his speech at Ashton, the *Pall Mall Gazette* was enthusiastically engaged in prophesying for him a great personal triumph. Next morning the orator, as he sat at his breakfast-table conning the daily papers, must have had an uneasy feeling that the promised triumph was taking a somewhat unexpected shape. For the threefold purpose of his speech had been to make it clear to all men that the food taxes remained an integral part of the Unionist programme; that they rested upon a foundation of reason and good sense; and that they were not to be subjected to any referendum, or left to be decided at a second election. The result of this appeal at the first blush was hardly encouraging. For in those quarters where the referendum had previously been urged, it was now shouted for with redoubled vehemence. *The Times* (at the instigation, so it was surmised, of its chief proprietor) ominously regretted as illogical and dangerous that passage in the speech which appeared to throw upon the Dominions the onus and the odium of deciding whether or not the people of the United Kingdom were to submit to food taxes. The *Daily Mail* (also at the bidding, it was presumed, of its chief proprietor—the same proprietor) took the contrary view,



## The Unionists and the Food Taxes

welcoming the pronouncement under the jubilant headlines: NO FOOD TAXES UNLESS THE DOMINIONS INSIST. Nor to a leader who had aimed at the deliverance of an eirenicon did the perusal of the evening papers offer much consolation for what had appeared earlier in the day; for it disclosed the painful fact that an internecine battle had begun to rage in hot earnest. The editor of the *Pall Mall Gazette* lost no time in dealing shrewd blows at the backsliders. His brilliant pen played round the contumacity of the *Liverpool Courier*, the perversity of *The Times* and the blatant rebellion of the *Daily Mail* like the small sword of the Sieur de Bussy, as he stood in the snowy moonlight à l'angle de l'hôtel des Tournelles and dealt single-handed with the five Mignons of Henri Trois. For nearly a month, except for a somewhat comfortless respite during the Christmas week, this pressmen's battle went on with undiminished vigour, and in certain quarters was conducted with a candour and an absence of reserve, very edifying to the public and most grateful to the hearts of the Liberal party. Like the Reverend Hugh Peters, on the occasion of King Charles's martyrdom, the *Daily Mail* marched "triumphing" in the funeral procession of the food taxes. And while this enterprising journal showed a truly remarkable genius for the exasperation of its own side, the *Pall Mall Gazette* continued to pour out the vials of its wrath in a fiery torrent, which must have burned through anything less than the hide of a hippopotamus. "No dictation" was Mr Garvin's war cry. The rejoinder of the other side might equally well have been compressed into the two words: "no arithmetic!" for it was clear enough, even from the beginning, that the orthodox food-taxers were in a very small minority. But even had the numbers been more evenly balanced, it was obvious that the mere fact of *any* serious division on this subject rendered it quite impossible that the food taxes could be made a party issue at the next election. For the most part, however, the Unionist press, both in London and the provinces, though they differed widely in their views and stated



## The Consequences of the Ashton Speech

their opinions in pretty vigorous language, carried on the discussion without heat or recrimination.

### V. THE CONSEQUENCES OF THE ASHTON SPEECH.

THE Ashton speech aroused a double interest from the light it shed upon the character of the speaker and from the results which flowed from it. In fairness to Mr Bonar Law it must be realized that he occupied a position of exceptional difficulty, and that his difficulties were not merely political but personal. He had been a Tariff Reformer from the first. He had "gone the whole hog." He was identified with the full Chamberlain policy, and had the complete confidence of that section of the party. But in the year which had passed since, from a junior and subordinate rank on the front bench, he had suddenly risen to the leadership of the party, many sources of information had become open to him from which he had previously been excluded. During these twelve months, he must have learned both from personal conversation and from documentary evidence, from the reports of the central office and from interviews with members of the party, what other people have realized only recently—how insecure were the foundations of belief upon which the food taxes actually rested. He knew as well as any man, and probably better than any man, how feebly this item of the true faith was held by the larger portion of his party; how candidates shirked it; how agents evaded it; how journalists fought shy of it; with what great dislike and suspicion the electors regarded it. And was the popular aversion to be wondered at, seeing that the gospel was never preached with any fervour, save by two or three? The circumstances certainly suggest that even within the last few days before his speech was made, the disposition of his followers had undergone some sort of change for the worse. The ground, in fact, was slipping from under his feet, and it is hardly credible that he was not aware of this fact.

## The Unionists and the Food Taxes

In taking the course he did, it does not appear that his conduct is open to attack on the score of any want either of integrity or of loyalty. If the policy of the food taxes in its original form was a sinking ship, he at any rate was prepared to go down with it. He did not seek by any recantation to dissociate himself from the danger. But it must be admitted that he missed the one way that might conceivably have resulted in success, and followed another which was foredoomed to failure. For the only hope, though it may not have been a very bright one, lay in supreme audacity, in putting a bold face on things, and in speaking in tones which implied command. Explanation, apology and persuasion were useless for the purpose in hand. Making little of the matter was useless. Saying that very likely it might never happen after all was worse than useless. And uncertainty was the most fatal thing of all. After the Ashton speech, no Unionist candidate was in a position to answer "Yes" or "No" to the plain question, certain to be asked of him at every meeting: "If your side wins, are you going to put a tax on food, or are you not?" He could only answer "Perhaps."

The Ashton speech gave the deathblow to the food taxes by advocating their retention for reasons which were manifestly absurd. To any Unionist who took a cool view of the new situation, there was clearly only one thing to be done, and that was to get rid of this item in the party programme with the least possible delay. If it was allowed to die a lingering death, or if, being in fact dead, it was permitted to remain within the party tabernacle, dangers of the gravest character were certain to ensue. The internal relations of the whole Opposition would be poisoned by intrigue and doubt, and riven by disputes and schism. So much was realized, not merely by the free-fooders and the moderate men, but quite as much by many persons who still believed in the original Chamberlain programme, and who scouted the idea that there was any reality or substance underlying the alleged unpopularity of the official policy. To such persons, however,



## The Consequences of the Ashton Speech

it appeared that Unionism was now placed in an unfortunate predicament, from which escape was quite impossible without some loss of credit. It was a choice of evils. On the one hand, there would be discredit in suddenly abandoning an important article of policy, not because it was acknowledged to be wrong, but merely because it was contrary to a prevalent opinion. But on the other hand, it was now recognized frankly, if reluctantly, that the party was already discredited before ever the Ashton speech was made. It was discredited for this reason more than for any other, that for years past an immense majority had avoided all mention of the food taxes unless they were actually driven to discuss them. A few believed them to be wrong, while many conceived them to be unpopular. The former could not preach the stern gospel because their consciences forbade it, while the latter were precluded by an obstacle no less formidable—the instinct of self-preservation. And if this had been the state of things before the Ashton speech, what was it likely to be afterwards? Better, surely, to endure the bitter reproach of acknowledged error, or even the stigma of opportunism, than to cling to a policy which not one man in twenty was now prepared to fight for?

Looking at the intention of Mr Bonar Law's speech, it was a blunder; but, judged by its results, it is clearly now regarded by the overwhelming majority of the party as a most fortunate mistake. Not only is he forgiven, but he has earned the unspeakable gratitude of the mass of his followers. Early in January, while the issue of the crisis was still in doubt, *The Times* computed the number of those members of Parliament who still wished to retain the food duties as something like five or six per cent of the total; and it argued, probably with reason, that in the country the proportions were very much the same. But we are faced with an odd coincidence, in the fact that only a few weeks before the crisis arose, the old guard of the free-fooders and the free-traders had surrendered practically without conditions. Among them Mr Strachey, of the *Spectator*, was the most



## The Unionists and the Food Taxes

prominent figure. The motive which inspired his action, and that of the others who about this time had followed the same course, was a serious conviction that it was the duty of all patriotic Unionists who found themselves in a minority upon matters not of the first importance to sacrifice their individual opinions in the face of a grave national emergency. If we look at this incident superficially, it seems to be one of the absurdest of paradoxes that almost at the very moment when, after ten years of disagreement, the whole party had apparently come into line upon the official fiscal policy, that policy should suddenly have been cast into the melting pot. Perhaps, however, the same cause was responsible for both of these occurrences. Revolutions in policy, and even in opinion, are more often brought about by instinct than by reason. It is not inconceivable that the same motive by which the *Spectator* was consciously inspired and to which it gave articulate expression was at work inarticulately and only half-consciously with the rank and file of the Unionist party, driving them to the same conclusion that, in circumstances of serious danger, the views of minorities must give way. Under this aspect it did not matter whether the particular views, which happened to be held only by a small minority, were scheduled in the official programme as orthodox or heterodox. The essential thing was that the party policy must be one in which the mass of the party was able to believe, and judged by this standard the old formulas stood in need of a drastic revision. The great majority did not believe in free trade, therefore Mr Strachey must give way. The great majority did not believe in the food taxes, therefore Mr Austen Chamberlain must give way.

# The Question of Leadership

## VI. THE QUESTION OF LEADERSHIP.

**E**VEN before the Christmas recess, it seemed fairly certain how the crisis would end so far as the party programme was concerned; but it was very far from certain that the result would not involve a change in the leadership. It seemed by no means impossible that the revolution in policy would have the effect of driving the more rigid tariff reformers into a separate tabernacle. As days went by, however, the last-named danger receded more and more into the background as the inconsiderable number of the irreconcilables became known. But for a period the question of the leadership hung in the balance, not because the followers desired a change, but because the leaders themselves were anxious to retire.

With regard to policy, it was clear that what the Unionist party was determined to give up was neither Tariff Reform nor Preference, but only the food taxes. They were apparently most anxious to adhere to that part of their programme which aimed at setting up a protective tariff upon luxuries and manufactures, and they professed—so far as we are aware without a dissentient voice—to be equally anxious to give a preference to the Dominions, wherever the new or the existing fiscal arrangements made it possible to do so. This revised version of their political faith was open to attack on various grounds, and the Liberal press and platform showed at once that they were fully alive to the opportunity. On logical, economical and historical grounds the change of position was derided and denounced as cowardice, opportunism, tergiversation, disloyalty, and as a sham worse even than the old one. If Unionists had a spark of honesty or honour, let them either stick like men to Mr Chamberlain's original policy or else humbly confess the errors of protection, and abjure the whole pestilent heresy once and for all. Perhaps the argumentative advantage was too



## The Unionists and the Food Taxes

tempting, and the Liberals pressed it just a trifle too far. Perhaps had their papers devoted less space to chronicling the acerbities of one very distinguished and several very obscure organs of Unionist opinion, perhaps had they shown somewhat less eagerness to foment the quarrel that was proceeding among their opponents, their words would have carried more weight and their persuasions might have produced more result. But the Liberals laid so much stress upon the advantage and the logical necessity of abandoning both Tariff Reform and Preference, now that the food taxes were gone, that the Unionists were very strongly confirmed in their first determination to adhere to both. They believed—though this belief was possibly entirely baseless—that the advice and objurgations of their adversaries were not wholly disinterested.

With regard to the leadership, however, matters stood on a different footing. Some of the same influences were at work, but there were complications which made a settlement less easy. The Liberals were not less convinced that Mr Bonar Law should go than that Tariff Reform and Preference should be given up. This was not altogether unnatural; but to Unionists perturbed by the excitement of a domestic crisis the circumstance appeared to be highly suspicious. What the Opposition has never understood is that Liberals do not merely dislike Mr Bonar Law as a leader, but that they honestly consider him to be a bad leader. Their views about him are not unlike those which Unionists held with regard to Sir Henry Campbell-Bannerman during the earlier stages of the South African War, before he had gained a full confidence in himself, and before his steadfastness and courage had come to be generally recognized. Mr Bonar Law's references to his opponents, though they are received with rapture by his own back benches, have not been distinguished by urbanity and have not invariably been conceived in the best taste. Though he is a student of history, and, to judge by his quotations, is an admirer of Mr Burke, his diatribes and dialectical assaults are sometimes lacking in the grand



## The Question of Leadership

manner of that distinguished statesman. Judged by the critics who sit opposite to him, the Unionist leader seems to be much more anxious to wound than to defeat. To their eyes he appears irresponsible and reckless, ready to throw Conservative principles to the winds for the sake of an immediate advantage, as a general lacking in military genius will sometimes throw away a division in order to capture some unimportant position. Therefore, not only would they like to see him go, but they think it would be a good thing for the Opposition if he did go. And as they have made no secret of these sentiments for some time past, it has undoubtedly served Mr Bonar Law in good stead with his own followers, the majority of whom, both in the House of Commons and in the country, regard it as almost the highest recommendation of any leader that he is odious to his opponents.

Though there was probably not a single individual member of the Unionist party who did not consider the Ashton speech to have been a serious blunder, the orator was immediately forgiven; and throughout the crisis which ensued the party closed round him, making it clear that, if he ceased to be leader, it would be from his wish and entirely contrary to their own. But for a time it seemed more likely than not that both he and Lord Lansdowne would insist upon resignation. Their advice had been flouted, and that fact could not be disguised. They had proclaimed that the food taxes were to remain in the programme, and the party had insisted that they should be cut out. It was a difficult situation, even if, as many people surmised, the leaders in their hearts agreed with their followers upon the matter at issue.

The whole situation was filled with perplexity and piquancy. For forty-eight hours those privileged persons who were "in a position to know" made certain that Mr Bonar Law would resign. One realized during this short period that the most vivacious pages in Disraeli's novels must have owed even more to the observation than to the

## The Unionists and the Food Taxes

fancy of the author. Tadpole and Taper, with their sleek silk hats, their neatly folded umbrellas, and their unfathomable notebooks, were again busy. Gentlemen in the confidence of other gentlemen emerged from behind every bush. Rumour broke gaol and took a holiday outing. The most impossible things were narrated upon the most unimpeachable authority, and the gossips of Pall Mall and St James's Street indulged themselves in a carnival of belief. Even cold print could not reduce absurdity to a vapour. The cause of the whole crisis, according to one newspaper, was that Lord Northcliffe had asked for the Postmaster-Generalship in the next Unionist Government, and having been refused by Mr Bonar Law, had thereupon determined to wreck the career of that eminent statesman. According to another theory, Lord Derby, as the representative of a somewhat curious coalition between the cotton-spinners of Lancashire and the upholders of the dynastic principle, was not unwilling (though naturally upon his own conditions) to sacrifice his cultured leisure in order to lead the Unionist party to victory. All the people who upon the last occasion had thought that their claims to the leadership were at least as good as those of Mr Bonar Law, were concerned that these claims should not be overlooked a second time. Those who had a following—even a small following—enjoyed a certain advantage. Those who had none sent their private secretaries. King-makers hurried from door-knocker to door-knocker with offers of the crown; but it was currently reported that their favourite candidate was “not at home,” while the second favourite had a fit of the gout. Great ladies spun great gossamer webs; but nothing came of them. In these latter days, great ladies seem somehow to have lost their cunning, while retaining all their original charm. The interest of choosing a leader ranks second only to that of being chosen: both are of the most absorbing interest. Not that Mr Bonar Law lacked mourners. Everywhere he was regretted, and by none more emphatically than by those who aspired to take his place. True, he lived



## The Question of Leadership

in a suburb, spoke with a Scots accent, and, according to report, drank nothing stronger than ginger ale; but, in spite of these peculiarities, Tadpole and Taper were genuinely grieved that his pledges should compel him as an honourable man to tender his resignation. For he was a good fellow, and it was through no fault of his own that he was not quite the kind of leader that Tadpole and Taper, and the Tory party, were used to—that Tory party which cherished the patrician memories of Mr Balfour, and Lord Salisbury, and which, looking back on a century of glorious achievement, could felicitate itself upon having been led in turn by Canning, whose mother was an actress, by Peel, who sprang out of a cotton-mill, and by Disraeli, the grandson of a Jew of Leghorn who dealt—though somewhat unsuccessfully—in straw hats.

The resignation of Mr Bonar Law, which, had it taken place, would have entailed that of Lord Lansdowne as well, was prevented only by the firm and united action of the rank and file of the party. That he wished to resign is clear; and the circumstances of the case, taken with what we know of his disposition and character, make it so obvious why he should have preferred to take this course, that it is really not worth while examining the counter-theory of a crafty and calculating ambition. But his party, with but few exceptions, were determined that he should not resign. They liked him both in the House of Commons and in the country. The other side were "triumphing": once more they were crying out with all the force of their lungs that he "had done for himself at last"; and once more it would be delightful to prove these Liberals wrong. But there were other reasons as well. It was Mr Bonar Law who had got the party into this mess over the food taxes, and it was therefore for him, and not for another, to get them out of it. The Ulster members who take their politics seriously would not hear of swopping horses before the stream was crossed. Mr Bonar Law's was a name to conjure with in the north-east of Ireland, for had he not justified rebellion and been



## The Unionists and the Food Taxes

all but excommunicated for doing so? And people with cooler heads than the Irish Unionists fully agreed, though on different grounds, that another change in the leadership would be disastrous to the credit of the party and fatal to its unity. Besides, no other leader was possible. All the "hithering and thithering" during the Day of Dupes had, at any rate, made that fact abundantly plain, if it had done little else. Besides Mr Bonar Law there were only two men on the Unionist side in the House of Commons with the stuff of leadership in them. But of these two, the one—Mr Austen Chamberlain—was impossible because he made no secret of his disagreement with the party upon the matter at issue, and the other—Sir Edward Carson—was no less impossible for the excellent reason that he refused to entertain the idea. And if an additional reason be necessary it is that both of these men, who by their ability, courage, integrity and strength of character are well fitted to play the part of leader, are distinguished also in a peculiar degree by the quality of personal loyalty; and that alone made it inconceivable that either of them would aspire or consent to step into the shoes of Mr Bonar Law.

### VII. THE PARTY MEMORIAL

THIS being the position of affairs it was necessary to find some way of making it plain to Mr Bonar Law, not merely that everybody wished him to remain, but that on no account would he be permitted to retire. The idea of a dinner which naturally suggests itself to the English mind as the way of bringing all human troubles to a happy conclusion was put aside with some regret, perhaps out of a delicate regard for the non-conviviality of Mr Bonar Law's character and habits. The suggestion of a party meeting found little favour in any quarter, for the reason that a gathering of this sort would have meant speeches of a serious

## The Party Memorial

complexion; conscientious persons would have desired to unburden themselves, to prove their essential consistency and to make their position clear. It was judged to be highly undesirable that anyone should essay so difficult a task, clarity not being so much the particular need of the moment as oblivion. And besides, if such a meeting was to be held, reports were certain to find their way into the newspapers. And what journalist could have been safely trusted, upon imperfect information, to do justice to the refinements of light and shade, of tone and emphasis which it was necessary to convey if the sentiments of the party were to be represented in their true perspective? In the end, it occurred to some man of genius that a "memorial" was the way out of the difficulty. In the early days of January, therefore, a document was drafted and signed without delay by practically the whole of the rank and file of the Unionists in the House of Commons. What precisely was contained in this memorial we cannot say, for it has never been published; but we may surmise that it was not conspicuous for any literary merits, or for the conciseness with which it expounded the political principles of a now happily united party. It was long—that we do know; and various authors had a hand in it. And also from the fact that persons of the most diverse ways of thinking were satisfied with the result, we may, perhaps, infer that every section of opinion had been allowed to insert in it some clause or paragraph to which it could conscientiously adhere. Such addresses of the co-operative sort are not to be judged by a hard standard of logic, as if they were State papers; but more indulgently—as tokens of confidence and good will. They are somewhat in the nature of those emblematic bouquets, presented by the villagers and the tenantry to young brides at their home-coming, wherein the felicities and the moral virtues, and the avocations of the various donors are typified by different flowers of the field and garden. In this spirit was the famous memorial presented, and in this spirit was it received.

It served its purpose. On January 13, after consultation

## The Unionists and the Food Taxes

with Lord Lansdowne, Mr Bonar Law returned a favourable reply. He pointed out that the memorial had contained two requests—the first, that the programme of the party should be altered in a certain particular; the second, that the leadership should not be changed.

The modification requested by those who have signed the memorial is that if, when a Unionist Government has been returned to power, it proves desirable, after consultation with the Dominions, to impose new duties on any articles of food in order to secure the most effective system of Preference, such duties should not be imposed until they have been submitted to the people of this country at a General Election.

This modification does not seem to us to involve any principle the adoption of which would have prevented us from loyally supporting the course of action desired by the majority of the party. It would, nevertheless, have been more agreeable to ourselves, and in our view more for the interest of the party, that the change of method should be accompanied by a change of leaders.

The memorial, however, which has been presented to me, and which has been signed, not only by those who desire that the method of procedure should be modified, but by those who prefer that it should have remained unchanged, urges upon us that, in the opinion of those who signed it, a change in the leadership “would be fatal to the best interests of the party and of the country.”

We feel that, in view of such an expression of opinion from such a quarter, it is our duty to comply with the request which has been addressed to us, and this we are prepared to do.

### VIII. SPEECHES AT EDINBURGH AND ACOCK'S GREEN.

MR BONAR LAW'S first public speech after the crisis was delivered at Edinburgh on January 24. It had been eagerly awaited, but it added little to the previous statement. He dwelt with a particular emphasis upon the “unanimous” determination of the party to alter the existing fiscal policy at the earliest opportunity and to grant a tariff preference to the Dominions without waiting for the food taxes. These might or might not be considered desirable



## Speeches at Edinburgh and Acock's Green

at a later stage in order to complete the Preferential system; but in any case they could not be introduced until they had received the approval of the country at a second election. With regard to the reasons for his contemplated resignation, he spoke very simply. The recent change in the programme, although in his opinion it entailed no sacrifice of the policy of Preference, amounted in effect to the rejection of the advice which had been given by Lord Lansdowne and himself as to the methods by which that policy ought to be pursued. A leader whose advice is rejected almost inevitably suffers a certain loss of prestige, and it was of the highest importance that the leadership of the Unionist party should not be impaired in respect and authority. An even more important reason, however, was that he had not believed that the minority of the party which wished to retain the food taxes in the official programme would accept the new situation:—

... I, at least, should have found it absolutely impossible to lead a party in opposition to men whose views I had shared and with whom I had co-operated through all those years.

The letter addressed to me by my colleagues in the House of Commons removed both those objections—both of them. It showed in a way which was quite unmistakable that we still enjoyed the confidence of the Unionist party in the House of Commons, and it gave us the right to hope at least . . . that we enjoyed also the confidence of our party in the country. The letter showed also that all sections of the party were willing to work together and to pursue in common the objects at which we all aim. In these circumstances we felt that it was our duty to remain at the post at which we had been placed.

Mr Bonar Law is remarkably wanting in that dramatic instinct which has distinguished most of our greatest statesmen; but there are certain occasions when this deficiency may be counted an advantage. By the Unionist party as a whole his reply to the memorial and his speech at Edinburgh were received with a sense of profound relief. They were greeted, however, rather with satisfaction than enthusiasm. The years of wandering in the desert were not

## The Unionists and the Food Taxes

ended; but they were surely drawing to a close, and men began to fancy they heard the distant music of the waters of Jordan. To the political connoisseur, however, the utterances of the leader upon this great occasion appeared to be sadly lacking in the heroic quality. They contrasted the homely and confidential style, the tone almost of armchair conversation, with what Mr Gladstone, or Mr Chamberlain, or Mr Lloyd George, or Mr Churchill would have said upon a like opportunity. But as the days went by such of these fastidious intellectuals as were possessed of the real critical faculty became aware that Mr Bonar Law had acted more wisely in following the simpler instincts of his own nature than he would have done in playing for some striking dramatic effect. He was in one of those positions where the plea of perfect consistency is ridiculous, where heroics are entirely out of place, and where by far the safest way out is the way of sincerity and simplicity. The austerity of the Wordsworthian ballad was a more appropriate model than the rhetoric and rapture of the *Songs before Sunrise*. But perhaps the chief virtue of all lay in the fact that the manner chosen was the natural manner of the speaker, and not one which he had assumed in imitation of great exemplars and in deference to political conventions. Those superior people who had been inclined at first to carp, began gradually to acknowledge that this quiet Scotsman was much more of a man than they had taken him for. At any rate, he was honest; at any rate, whether fair or not to his opponents, he was true to his own party. He had not intrigued to hold the leadership, but, on the contrary, had wished to lay it down. All rumours and suspicions to the contrary were now blown to the winds by the unsparing candour of his admissions. And though he might be wrong in saying that Preference was possible without the food taxes, at any rate, he believed what he said, and that was an unspeakable comfort after so much uncertainty. With a sigh of relief, the Unionist Party realized that it had got rid of a policy in which it did not believe, and with something like a shock of joyful surprise it likewise



## Speeches at Edinburgh and Acock's Green

discovered that its leader was a man with qualities of a much higher order than it had ever supposed.

Good fortune, like misfortune, seldom comes singly. The Unionist Party made a second discovery about this time which greatly raised their spirits. If Mr Bonar Law had won their respect by his modesty, his candour and his personal integrity, Mr Austen Chamberlain won it not less completely by the manner in which he bore himself under adversity. We do not recall any public statement in recent times which has taken so great and immediate a hold upon the conscience of the country as the speech which he made to his constituents about the middle of January. The courage with which he stated his differences from his party, the admirable temper in which he gave his reasons, the manliness with which he admitted the bitterness of his disappointment, and the loyalty with which, while abandoning none of his beliefs or principles, he made it clear that he would be the leader of no schism or faction, but would continue to give what help he could in the promotion of those "great causes whose success is bound up with that of the Unionist Party," made a profound impression upon the whole country. The acknowledgments which he won from his political opponents were hardly less warm and they certainly were not less sincere, than those which he received from his own friends. When the character of a man in public life is suddenly perceived to stand out above his fellows, the instinct of humanity is to cheer and be glad. His greatness is new riches, not merely for the party of which he is a member, but for the commonwealth of which he is a citizen. But it is impossible not to wonder sometimes at the odd ways in which such greatness is made manifest. It was only after Mr Bonar Law's counsel had been rejected and set aside, it was only after Mr Austen Chamberlain's policy had been abandoned, that either the one or the other had the opportunity of showing his mettle, and proving himself for what he was.

So ended the great crisis in the Unionist party—a crisis



## The Unionists and the Food Taxes

which, as we look back upon events, with the knowledge which we have gained of men's minds during the past few weeks, appears to have been not only inevitable but long overdue. The chief force which has held it back has been a personal loyalty to the great statesman who for six years past has been withdrawn by illness from all political activities. The knowledge of his enduring belief in that policy which owed its beginning to his single efforts, the example of his fortitude, the fear of wounding by the hands of friends that indomitable spirit which has borne itself so firmly under all the strokes of fate, combined to make men shut their eyes to the facts, to ignore the trend and meaning of events, and to defy that current of opinion which, flowing mysteriously like the tides, refuses to be contained or diverted by the most heroic endeavours. The episode is rich in morals of the kind which cannot be overlooked even by the blindest searcher after truth; but, judged fairly, it does not seem to be one of which any party need be ashamed. Devotion to a great man, sympathy with a great idea, are things worth suffering for. In a new region the landmarks are unfamiliar, and it is easy to miss the true line of advance, easy to mistake one gently wending valley for another, till at last it is discovered that the army has arrived at an impasse. Something of the kind happened in this instance; and gradually hope turned into doubt, and doubt turned once more into certainty as the facts were realized and became known for something different from that which men had supposed them to be. But, after all, exclusion from office is not the greatest of all evils, nor is a long course of adversity and humiliation the worst discipline for a party which has previously enjoyed the perilous prosperity of nearly twenty years of office.

# Ancient History

## IX. ANCIENT HISTORY

THE preceding pages have endeavoured to trace the steps by which the Unionist party has revised its programme. We have tried to the best of our ability to explain the motives and forces which have been at work within that party, and which have induced it to abandon, for the time being, at all events, that item which is popularly known as the food taxes, while adhering, or professing to adhere, not only to the principle but to the policy of Preference. And we have attempted also to penetrate and make clear the causes which have led the Unionists to rally round Mr Bonar Law, and which have prevailed with Mr Bonar Law to retain the leadership. It is not our business either to justify the wisdom of these various decisions, or to forecast the results which may be expected to flow from them; but it is desirable in as few words as possible to recall to the minds of our readers how it happened that the taxes which have now been abjured ever came to be included in the policy of a great political party.

The speech of Lord Salisbury to the Colonial representatives at the Conference of 1887 has already been quoted in *THE ROUND TABLE*.<sup>\*</sup> Even so far back as this, although federation was then still but a dream, the defence of the Empire was already becoming a reality in the minds of British statesmen. At the Conference of 1897 the same note was heard in the speech of Mr Chamberlain. The need for defence had grown more pressing in the intervening decade. Closer union of the Mother Country with her self-governing colonies was desired for purposes of mutual safety, and not merely for the sake of political symmetry. There had been some vague talk in the oversea Dominions about "calling them to our counsels," but nothing came of it. The sentiment of the Dominions was opposed to anything in the

<sup>\*</sup> Vol. I, pp. 280-2, May, 1911.



## The Unionists and the Food Taxes

nature of political union which was regarded as a menace to Colonial autonomy, and to anything like substantial co-operation in Imperial defence, because without political union they could have no control over the spending of the funds which they might provide. And there were also other reasons for their refusal to subscribe—the colonies were as yet poor; and also in their opinion there was no danger. “But,” they said with one voice, “let us have reciprocity. Let us begin with trading preferences and trust to luck and the ties of kinship to draw us closer as the years go by.” . . . This attempt of Mr Chamberlain, like the previous attempt of Lord Salisbury, therefore, ended in failure.

The South African War, although it had a great effect on sentiment, did not seem to disturb the general sense of security either oversea or at home. After all, had we not lumbered our reinforcements out to Table Bay in spite of the boiling indignation of the whole of Europe? Indeed, the issue of the war rather lulled than sharpened the temporary suspicion of danger which had been aroused by the Kaiser’s famous telegram a few years earlier. But, without doubt, the prolonged struggle had stimulated sentiment—a sentiment of unity in history, in tradition, in standards of courage and honour, even in poetry and other immaterial things. But the conference which met under Mr Chamberlain’s presidency at the time of the coronation of King Edward, ended as might have been expected in the same failure as had befallen its two predecessors. The things which are Cæsar’s are not of the immaterial kind. The practical reason for union and the practical reason for mutual defence were still invisible except to the eyes of the seer, and had no effect upon the decisions of the practical man.

About this time, however, the Dominions, animated undoubtedly by the desire to do something for that Empire of which they formed a part, were beginning to introduce into their tariffs the principle of preferential treatment for British manufacturers; and notably in the case of Canada, the experiment seemed likely to prove itself of substantial



## Ancient History

value. At this time, also, we had ourselves imposed, for purposes of war expenditure, a shilling duty on corn. "Remit this duty in favour of the Dominions," said the Colonial representatives, "and that will be an earnest of good intentions, and a great encouragement to closer union. No human creature will be a penny the worse. Such an act of the Mother Country will have a great effect upon Colonial opinion, and will enable us to carry our present preferences in favour of her products a good deal further."

Mr Chamberlain had failed in his attempts to reach union along other roads, and his indomitable spirit determined to make a trial of this one. None of our politicians has ever held to his projects with more tenacity, but none has ever been more ready to consider new means for carrying them out. It may be surmised that if Mr Chamberlain had not been withdrawn by illness from our recent contests to such an extent that he lost touch to some extent with the forces by which his ideas were opposed, there would have been no such crisis as we have been engaged in chronicling—that he would either have succeeded in imposing the food taxes long ago, or that he would have abandoned them in favour of some other line of advance. Mr Chamberlain came to a decision after the Conference of 1902 that he would adopt the Colonial suggestion and that he would advocate Preference as a means to closer union. The obstacle which stood in the way was the principle of free trade. He submitted his views to the Cabinet before he sailed for South Africa in the following autumn. He formed the impression that his proposals were favourably received by the greater number of his colleagues, and that they were actually opposed by none. Such things are hard to be certain of when the medium of understanding has been an oral discussion. Apparently he was wrong in the conclusions which he had drawn, for he returned from South Africa only to find that the Chancellor of the Exchequer (Mr Ritchie) was determined to resign rather than remit the shilling duty on wheat in favour of the Dominions.

## The Unionists and the Food Taxes

That Mr Chamberlain was deeply wounded by this decision admits of no doubt; but in the circumstances he had no power to reverse it. The question then arose whether or not the shilling duty should be abolished since it was no longer needed for military purposes. The tax was unpopular, and had been used against the Unionist Government with some effect at by-elections. This was a strong party argument for getting rid of it, and the Cabinet decided that it had better be repealed. It is difficult to believe that Mr Chamberlain fought hard to retain it. Had he done so, it is very difficult to believe that in view of the serious misunderstanding which had arisen, his colleagues would not have consented to retain it, if only by way of compromise or compensation. But, from the point of view of Mr Chamberlain's policy of Preference, the remission was a tremendous blunder. So long as the duty remained on the Statute Book there was at least a chance that the Cabinet might be brought round on the occasion of the next Budget, or of the next again (for the Parliament was still young) to his way of thinking. But when once it had gone, the chance was missed for good and all. To remit the duty in favour of the Dominions would undoubtedly have been popular, and all hostile criticism would probably have appeared to the ordinary man merely as ridiculous pedantry. But to re-impose the duty at some future period, solely with the purpose of remitting it, was also bound to appear to the ordinary man (if he were given time to consider it) in a somewhat ridiculous light.

It is unnecessary to follow the development of the policy through all its subsequent stages. Mr Chamberlain's declaration in 1903 that the basis of Colonial preference must be the taxation of the food of the United Kingdom, was followed almost immediately by acceptance of the principle of protection for British manufactures. The former was a means, in his opinion, to his great aim—Imperial consolidation; but the latter had little or nothing to do with it, and was purely a matter of interest for the people of



## Ancient History

these islands. Not unnaturally, however, as years went by, and the original programme remained unaltered, the attention of the country became more and more concentrated upon the possible benefits of protection, and upon the possible inconveniences of the taxation of food. Such popularity as attached to the proposals was derived from the hope of increased prosperity, and this for many years past has been the chief theme of Unionist speakers engaged in arguing the case. What it is essential to remember, but what is constantly in danger of being overlooked, is that the food taxes were proposed by Mr Chamberlain only for the sake of preference, only because in the then existing circumstances this seemed to be the one way to bring about Imperial union, and only because he had failed, and failed again, to carry forward his great idea along the lines of mutual defence.

To a certain extent it is clear that the food taxes were included in the Unionist programme under a misapprehension of the Colonial view of preference. The "offer" of the Dominions has never at any time contained a suggestion that they were willing to create a fiscal system primarily designed to benefit anybody but themselves. They have said with perfect candour that each member of the Empire should make its tariff to suit its own needs and interests, and with the object of promoting its own development. But having arranged its customs upon this principle, each should then be prepared to concede a preference to its fellow citizens over the foreigner. The food duties, as advocated by the Unionist party, were not based upon this principle, for they were proposed and intended primarily to benefit the Dominions, and not ourselves. This weakness in the argument was not long in being found out. The rise in food prices was not more certainly a cause of the unpopularity of the food taxes, than was the gradual perception that the preferential system, as advocated and preached by the Dominions, rested upon the firm basis of the national interest of each particular unit, while the



## The Unionists and the Food Taxes

proposals of the Unionist party did not. Logically, the cure for the Unionist dilemma would have been to go forward, to devise a tariff for the benefit of British agriculture, and then to have seen in what directions the new arrangements would have enabled us to give a preference to the Dominions. But this was a big undertaking. It needed not only great courage and imagination, but great authority. Conceivably it was not possible; but in any case it was not done; and as a result the policy of the Unionist party continued to hobble along upon one wooden limb and one sound leg.

By the date of Mr Bonar Law's election to the leadership in the autumn of 1911, Tariff Reform had become primarily a national policy for the United Kingdom, designed to protect the home market from foreign competition, and to enable the people of this country to bargain for special reductions of foreign and Colonial tariffs. This process has just been completed by the dropping of the food taxes in the first month of the present year. The Unionist policy of preference is now identical with that of the Dominions; for its aim is frankly to create a tariff which will be for the national interest, and having done this, to offer, whenever it may be possible, a preference to the Colonies. This great revolution has been accomplished to the surprise of every one without splitting the Unionist party into two. It can hardly be doubted that it would have been impossible to avoid this disaster had the crisis come to a head under the leadership of Mr Balfour. For Mr Balfour was a suspect. This revolution was perhaps necessary for the very existence of the party, but it was only possible, without disaster, under a leader of untarnished orthodoxy.

Things have changed since May, 1903, when Mr Chamberlain startled the world by his speech at Birmingham. They have changed vastly even since 1906 when Sir Henry Campbell-Bannerman sought to put an end to competition in armaments by reducing our naval estimates. The motives

## Ancient History

of the Liberal premier were unimpeachable, but his prescience, and his understanding of national rivalries, ambitions, and ideals were wholly at fault. When he was dosing the world with what he conceived to be a gentle sedative he was really administering a tonic of the most formidable potency. But the consequences of this well-meant blunder have not been wholly evil. Though the stimulus thereby given to the naval preparations of Germany and her allies is deplorable, and although the relative shrinkage of the sea-power of Britain is a thing which has caused the gravest anxiety, one result at least has been of inestimable value. The Dominions who are no longer poor have realized at last that there is a danger—a danger which menaces not merely the prestige and pride of the United Kingdom as a continental power but the safety of the whole Empire. Accordingly they have set themselves with a will to discover ways of co-operating for purposes of mutual defence, which even the most carping critic cannot accuse of being unsubstantial. And also the Dominions have been once more “called to our counsels,” and at last it would appear that they are now in the mood to listen. These things—the very things which Mr Chamberlain tried vainly to accomplish—have come about under a Liberal Government. Circumstances have changed, but the spirit of the Liberal party has changed also. In seven years of office it has gained vastly not only in knowledge, which might have been expected, but also in vision and in sympathy. The sterile reaction against an imaginary wickedness called Imperialism, which distinguished the first years of the Campbell-Bannerman administration, has gradually spent itself. The attitude of impatience and suspicion, and even of contempt, with which the sentiments of the Dominions appeared at first to be regarded, the hard and narrow spirit which seemed to repel, rather than to encourage the idea of closer union, have given place in many quarters to the same hope and to the same ideal which years ago took possession of the great heart of Mr Chamberlain. The times have changed, and

## The Unionists and the Food Taxes

things are now possible which were impossible only a few years ago. The causes of such changes in the national consciousness are mysterious and obscure. They are not to be found wholly in the facts, for in that case the great empires of the past would never have crumbled and broken up. Many of the things which Mr Chamberlain tried to do, but in vain, are being done now by his successors. The advance of a great idea, like that of an army, is strewn with failures without which there could have been no victory. The efforts of Mr Chamberlain, his courage and hope which remained constant in the face of every disappointment, the spirit which he created among his countrymen, were in all likelihood essential for achieving that measure of success which has already crowned the efforts of other men.



## THE UNION OF ENGLAND AND SCOTLAND

**N**O political institution which has ever existed has received so much attention at the hands of historians, lawyers and philosophers as the constitution of the British Empire, and the feature upon which they have agreed most cordially to dwell is the slow and scarcely perceptible process by which it has developed. Volumes have been devoted to telling how Parliament first acquired the legislative powers of the Crown, and afterwards went on to secure control of its executive functions as well. The scene of their story is laid for the most part in England itself. But England is after all only one of a considerable number of communities whose governments now derive the powers they wield directly or indirectly from the same legal source. The English constitution has in fact been extended from time to time in such a way as to take in at particular moments whole communities beyond the boundaries of England itself and the process by which this has been effected has received but small attention at the hands of the studious; for these successive inclusions were effected in a manner which little resembles the tree-like process of growth which is commonly regarded as the most notable feature in the development of the constitution.

The operation by which the separate kingdoms of England

## The Union of England and Scotland

and Scotland were brought within the scope of the same constitution is the one which this article proposes to examine, because it was the first case in which this operation was successfully attempted. Before 1707, the year in which the Union took place, the Scottish Parliament was in no sense subordinate to the Parliament of Westminster. The one formal between the two kingdoms was the link of the common Crown. In the seventeenth century, however, the link of a common Crown was what it was not in 1782, a substantial bond of government—far more substantial than the sentimental tie of a common allegiance. The prerogatives of the Crown and their personal exercise by the sovereign went far to provide an absolute guarantee of common action in matters of common moment.

During the Stuart regime indeed the powers exercised by the Crown were such that conflicts of allegiance were impossible, simply because of the excessive subordination of Scotland to the king of England. The Scottish ministers were appointed by the personal will of the king and held office during his personal pleasure. During the early part of the seventeenth century the revenue from the royal domains was sufficient to meet most of the normal expenses of government. Lastly, before 1688 the powers of the Scottish Parliament were delegated to the Lords of the Articles—a committee of thirty-two, appointed in fact by the Bishops, who in their turn were the nominees and the creatures of the Crown. So far as concerned the practical effects, as opposed to the forms, of government, the two kingdoms would have been one but for the tariff barriers on the border and the superior, though far from supreme, powers of the English Parliament in domestic affairs.

The constitutional change effected by the Revolution of 1688 could not be limited to the domestic affairs of the two kingdoms. It extended inevitably to their mutual relations. The most prominent result of the Revolution in Scotland was the abolition of the Lords of the Articles, and the consequent restoration of the Scottish Parliament to its

## The Union of England and Scotland

proper place in the constitution. The Parliament was no longer the servile instrument of an autocrat in London; it became the reasonably representative vehicle of Scottish opinions and Scottish aspirations. Under the Claim of Rights it began to assume functions never dreamed of during the regime of the Lords of the Articles. Every increase in the powers of the Scottish Parliament naturally involved a diminution of the powers of the king of Scotland, that is to say of the central authority. It is equally evident that, since the change was proceeding simultaneously in both kingdoms, the powers taken from the common sovereign must be divided between the two national Parliaments. Consequently the curtailment of the prerogatives of the Crown involved in fact the grant of local self-government, such as is now enjoyed by the Dominions. The unsundered prerogatives of the common Crown were exactly parallel to the powers at present retained by the Imperial Government, in so far as they were the guarantee of some measure of central control. It is true that the king in the Scottish Parliament was legally supreme in all Scottish affairs, both internal and external, and possessed that full legislative sovereignty which is denied to every Parliament in the Empire with the exception of the Imperial Parliament. The distinction, however, is little more than technical. The sovereignty of the Scottish Parliament was limited by something more effective than a constitutional principle or a section in an Act of Parliament—the certainty, namely, that the king of England and Scotland would give preference to the interests of the richer and more powerful kingdom in the exercise of his still considerable prerogatives.

As regards the executive power there was even after the Revolution some guarantee of uniformity of action. The king still appointed his ministers in fact as well as in name; and in making appointments in Scotland, he was naturally influenced by the advice of his ministers in England. But it must be remembered that ministers in Edinburgh were far



## The Union of England and Scotland

less subject than those in London to the personal influence of the Crown. Their remoteness from the Court and the comparative pettiness of ordinary Scottish affairs gave them a degree of independence which was not possessed by the ministers of England. In a moment of crisis they were more likely to shape their conduct to suit Scottish national sentiment as expressed in the Scottish Parliament, than to feel bound by the exigencies of English policy.

The essential similarity of the two cases will become clearer if we consider the position of Scotland in relation to some of the matters which at present belong exclusively to the province of the Imperial Parliament. The most important of these are the Crown, war and peace, and foreign policy in general.

The Scottish Parliament not only possessed, but actually exercised the right of dealing both with the prerogatives of the Crown and the succession. But an alteration of the succession led demonstrably to actual separation, and it quickly became evident that any extensive limitation of the prerogative meant a condition of virtual separation. England did not deny the legal rights of the Scottish Parliament, but she was prepared to fight rather than accept the consequence of their exercise. Similarly an attempt by any Parliament within the Empire to tamper with the Crown would be equivalent to a declaration of independence, and Great Britain would have no option except to fight or to submit. The two processes might be called by different names, but the hard facts are essentially the same.

Foreign policy with its attendant questions of peace and war during the greater part of the seventeenth century was under the direct personal control of the sovereign. The Revolution of 1688 established two principles—firstly that the king must act on the advice of ministers reasonably acceptable to Parliament; and secondly that, though the king might declare war, money to carry it on could be provided only by Parliament. With regard to the first point it is tolerably clear that no king could conduct his foreign policy

## The Union of England and Scotland

on the advice of two sets of ministers, working possibly to incompatible ends. Scotland, moreover, had no foreign minister and no ambassador of her own, so that the Scottish executive was quite out of touch with the affairs of Europe. Even in matters of ordinary routine justice Scotland could make her voice heard only through English ministers. In 1695, for example, the governments of Algiers, Tunis and Tripoli were discriminating between the trading ships of England and Scotland to the serious detriment of the latter. It was then necessary for the Scottish Chancellor to make a formal complaint to Shrewsbury, and Shrewsbury in his turn issued orders to the admiral commanding in the Mediterranean to have the matter put right.

The Scottish Parliament of course had the power to withhold supplies if it was dissatisfied with the conduct of affairs abroad. But Scotland at the time was lamentably poor. Her total revenue was less than a tenth of the sum annually spent by England on the army, navy and ordnance alone. In these circumstances it was inevitable that the king's foreign policy should be dictated by his English ministers, and dependent on the financial support of the English Parliament. The Scottish Parliament could only assent with what grace it could muster or vent its impotent wrath on its equally impotent ministers.

In the matter of armaments again, Scotland had only a negative voice. She possessed, indeed, a navy and army of her own—a navy of three small frigates, an army of some 3,000 men, and a militia which, according to James Hodges, was nothing but “an undisciplined mob.” But just as the wars of the seventeenth century were the king's wars, so were the armed forces of each kingdom pre-eminently the armed forces of the Crown. The personal relation of the sovereign to the army, which lingered on as a constitutional fiction until Victorian days, was then a living reality. It followed that the Parliament might refuse to support an army, but it had only a very small and a very indirect voice in the employment of the troops it voted. Even the intractable



## The Union of England and Scotland

patriot, Andrew Fletcher of Saltoun, ardent for the success of the Darien colonization scheme, bowed without question to the authority of the sovereign in this matter.

It will also be fit, [he suggested in 1698] that the Company petition the Parliament to address His Majesty that the three small frigates lately built at the expense of this nation may be appointed for a convoy to the next ships they shall send out.

It would be difficult indeed for legal sovereignty to express itself in terms more circuitous or more modest.

We may sum up the general situation thus. Scotland had full autonomy in local Scottish affairs, subject only to the veto of a remote sovereign. She had, and could have, no foreign policy of her own. She felt herself bound in honour to contribute to the wars of the common sovereign, but she had and could have no voice in their determination. She was represented abroad by English ambassadors, and every trivial dispute with a foreign power had to be settled through London. It is clear that in all essential particulars the position of Scotland in relation to the broader aspects of what we may call Imperial policy corresponded closely to the position of the Dominions to-day.

In less than twenty years the situation had become intolerable to both countries. To understand exactly how and why it became intolerable, it will be necessary briefly to survey the main events of Scottish history up to the year 1707.

The central feature of the period in Scotland was the growth of commercial interests at the expense of theological interests; and this growth profoundly affected the attitude of Scotland both towards England and towards foreign powers. So long as international differences tended to run on theological lines, Scotland was always ready to stand by England in defence of the Protestant interest without murmuring and without question. The commercial revival brought the danger of conflicting interests very near. In matters of trade Scotland was really, as well as nominally,



## The Union of England and Scotland

autonomous. In matters of trade her interests might, and probably would, run directly counter to those of England. In matters of trade she might well provoke a quarrel with a third party, and in such a quarrel it would be difficult for the English Parliament to refuse support to the king of Scotland. At the very least England might be called upon to provide convoys for the ships of her commercial rivals.

The very real nature of those dangers was completely demonstrated by the story of the Darien Company. In 1695 the Royal assent was given on the king's behalf to an Act of the Scottish Parliament which incorporated "the Company of Scotland trading to Africa and the Indies," gave the Company a thirty-three years' monopoly of the trade with Asia, Africa and America, and exempted its merchandize, with a few specific exceptions, from all import duties. An Act of the previous session authorizing the incorporation of such companies had further provided that if traders

happen to be attacked and violently seized or otherwise disturbed by persons not in open war with Their Majesties, that then and in that case Their Majesties would be pleased to order, that the recovery of the ships and goods so seized or otherwise molested and hindered be carried on and prosecute by publick means and at publick expense.

The true purpose of the Company—known at first only to very few persons—was to found a Scottish colony on the Isthmus of Darien, and by that means to intercept all the trade coming from the East Indies and convey it to Scottish ports. The scheme was received with the utmost enthusiasm in Scotland. On it were centred all the commercial hopes and ambitions of the nation, and every available penny of capital was invested in the Company's stock.

The financial history of the scheme does not concern us, but it is of the utmost importance to notice three main points. In the first place the settlement, if successful, would have involved a serious interference with the trade of the East India Company. It could hardly be expected that

## The Union of England and Scotland

English traders would sit quietly by while the riches of the East poured into the ports of Scotland duty free, and were smuggled thence over the border, duty free again.

In the second place the Isthmus of Darien, though occupied only by a few Indians, was by the law of nations indubitably part of the dominions of the Spanish Crown. Spain was a decadent power, but hardly so decadent as to allow the insertion of an alien wedge in the centre of her American possessions. There was a real danger that William, king of Scotland, might be engaged in war with the Spaniards of America, just at the time when William, king of England, was striving his utmost to keep Spain herself in alliance with the Protestant powers against France.

Lastly, if the trade of the Company was to be protected, it could be protected only by the English navy. Hitherto Scotland had asked for convoys not in vain. But it was unthinkable that the English fleet should be used to further an enterprise designed to diminish England's private wealth and public revenue—an enterprise which could hardly fail to run counter to England's settled policy in Europe. Not unnaturally both English Houses protested vigorously against a measure which "did seem to engage the shipping and strength at sea of this nation to the great detriment even of this kingdom."

The king was compelled to disavow the Company, to dismiss the Scottish ministers who had encouraged the proceedings and, in accordance with treaty obligations, to issue a proclamation in the English colonies forbidding the dispatch of assistance to the Scottish settlers. Inexperience and a pestilential climate rendered further steps unnecessary. One ship indeed was captured by the Spaniards, but the scheme was a lamentable failure before that act of overt hostility. Scotland, on the other hand, sore at the failure of her darling project, was disposed to lay the whole blame upon the English Government. As a member of the Scottish Parliament put it, the episode "had raised" an insuperable jealousy in the Scots nation, which could not



## The Union of England and Scotland

fail some time or another to break forth in consequences dangerous to both nations."

The keenness of the disappointment naturally provoked an inquiry into the whole question of Scotland's relation to the king's policy and to her powerful neighbour. The incident had brought to light one indisputable fact—that English ministers were prepared not only to refuse assistance to Scottish projects of which they disapproved, but even to procure the dismissal of Scottish ministers for favouring schemes which had the enthusiastic support of the Scottish people. There were other grievances which an examination of the whole problem could not fail to reveal. Scotland, not largely indeed, but according to her means, contributed to the king's wars, yet she had no voice in the policy which necessitated them. At the best of times patronage and promotion came from London, with the result that politicians looked there instead of to Scotland for advancement or disgrace. All these conditions were obstacles to the attainment of Lord Tweeddale's ideal—"to make a Scots nation stand upon a Scots bottom."

It is apparent that all these obstacles arose from the employment of the prerogatives of the Crown by English ministers or in accordance with their advice. "Therefore," said the nationalists, "let us limit the prerogatives of the Crown in Scotland, as we are entitled to do, and the undue influence of English ministers will become an impossibility." The uncertainty of the succession at the death of Queen Anne provided a golden opportunity for limiting the prerogative. Consequently the history of the Scottish Parliament during the early years of the Queen's reign is the history of various attempts so to define the powers of her successor as to secure the sovereignty of Scotland from English encroachments.

The limitations proposed were directed to two main objects—firstly to free Scotland from the chains of English foreign policy, and secondly to transfer the patronage of the Crown in Scotland to the Scottish Parliament.



## The Union of England and Scotland

In connexion with the former object it will be convenient to notice one move of the Scottish Parliament which was not concerned with the limitation of the prerogative. For it illustrates admirably the temper in which the subject was approached. In 1703, while the war of the Spanish Succession was still in progress, a bill passed the Scottish Parliament which repealed the prohibition to import French wines into the country. In itself the bill was a mere breach of the conventions, which was justly condemned by such good patriots as Fletcher of Saltoun and Lord Tweeddale, as well as by a considerable body in the Scottish Parliament. The trade affected was probably insignificant in the extreme, even when the seas were clear of English privateers and men-of-war. But the bill was pregnant with possibilities. It suggested that Scotland was at liberty to treat alone with the king's enemies, and possibly by her conduct in time of war to secure preferential treatment at the conclusion of peace. It was an attempt to remedy by independent action Fletcher's complaint that Scotland was "engaged in every war and neglected in every peace." Incidentally, the extent of the extremists' victory may be gauged from the fact that a clause providing "that no Scots ship should trade directly with France now in time of war," provoked considerable opposition in the Scottish Parliament, and was withdrawn in consequence.

The Act of Peace and War, passed in the same session, dealt with the difficulty in a more regular and constitutional manner. This Act provided that, after the death of Queen Anne and failing heirs of her body,

no person being king of Scotland and England shall have the power of making war . . . without consent of Parliament, and that no declaration of war without consent aforesaid shall be binding on the subjects of this kingdom.

This Act clearly involved something more than a possible cessation of war contributions. It meant that Scotland was aspiring to stand as a nation among the nations, to

## The Union of England and Scotland

conduct her own negotiations, and to devote what strength she possessed to the attainment of her own specific ends. Consequently we find a simultaneous movement to make provision for Scottish representation in foreign capitals. As early as 1698 Fletcher had written in the following terms:

His Majesty's Ministers abroad paid by the Crown of England are no longer to be looked upon as ministers for the Crown of Scotland. Since we are separate kingdoms and have separate ministers at home, we ought to have separate ministers abroad: especially in an affair wherein we may have a separate interest from England, which must always be in matters of trade. . . Neither ought we to have separate ministers only upon the account of trade, but upon all occasions wherein the honour or interest of the nation is concerned. That we have not had them formerly since we were under one king with England, was I suppose to save charges, and because we trusted to the impartiality of such as we judged to be the ministers of the king of Great Britain.

These views finally issued in a bill which passed the Scottish Parliament in August, 1705, providing that ambassadors representing Scotland, and accountable to the Parliament of Scotland, should be present whenever the king had occasion to treat with foreign princes or states.

In the light of this movement it becomes apparent that the proposal to transfer Crown patronage to the Parliament was a question of far more than domestic import. Its true bearing and its true import can best be understood from a speech in support of it delivered by Fletcher of Saltoun in 1703. After dwelling on the drain of Scottish money caused by the attendance of the wealthiest Scotsmen at the English Court, he said this:

This limitation will secure to us our freedom and independence. It has been often said in this House that our Princes are captives in England; and indeed one would not wonder if, when our interest happens to be different from that of England, our Kings, who must be supported by the riches and power of that nation in all their undertakings, should prefer an English interest before that of this country. It is yet less strange, that English Ministers should advise



## The Union of England and Scotland

and procure the advancement of such persons to the Ministry of Scotland as will comply with their measures and the King's orders; and to surmount the difficulties they may meet with from a true Scots interest, that places and pensions should be bestowed upon Parliament men and others: I say these things are so far from wonder, that they are inevitable in the present state of our affairs. But I hope they likewise show us that we ought not to continue any longer in this condition. Now this limitation is advantageous to all. The Prince will no more be put upon the hardship of deciding between an English and a Scots interest: or the difficulty of reconciling what he owes to each nation in consequence of his Coronation oath. Even English Ministers will no longer lie under the temptation of meddling in Scots affairs, nor the Ministers of this kingdom, together with all those who have places and pensions, be any more subject to the worst of all slavery. But if the influences I mentioned before shall continue, what will any other limitation avail us? What shall we be the better for our Act concerning the power of War and Peace: since by the force of an English interest and influence, we cannot fail of being engaged in every war, and neglected in every peace?

From this speech it is apparent that Fletcher had much more in his mind than a mere domestic arrangement of patronage. The claim was this—that Scottish ministers should be independent not merely of English ministers, but of the Crown itself. The limitation, if carried, would have cut every link between the two kingdoms except that of the titular sovereignty. In Scotland itself the proposal was freely criticized on the ground that it aimed at a republican form of government.

From the international point of view the matter was still more serious. The prospect of the ambassadors of the king of Scotland at loggerheads with the ambassadors of the king of England was a sufficiently sorry prospect. There could be little expectation of anything but disaster when the ambassadors of the king of Scotland were replaced by the ambassadors of the Parliament of Scotland, directed by a government deliberately out of touch with the Crown and its English advisers.

One thing at least was obvious, that this idea of virtual separation could be nothing but a sham, unless Scotland possessed a considerable armed force. It was equally obvious



## The Union of England and Scotland

that Scotland, in her existing condition of poverty, could not support a considerable standing army, and still less a reasonably adequate navy. To meet the difficulty it was proposed to arm the Protestant subjects of the kingdom, or in other words to revive the militia and give to it some measure of discipline and training. But it is clear that there was only one enemy against which such a force could be used, and that enemy was England. This inference is well borne out by Fletcher's speech on the Bill of Security for arming the Protestant subjects in 1703.

If we are not rich enough, [he said], to pay a sufficient number of standing forces, we have at least this advantage, that arms in our own hands serve no less to maintain our liberty at home than to defend us from enemies abroad. . . . For us . . . to continue without arms is to be directly in the condition of slaves: to be found unarmed in the event of Her Majesty's death would be to have no manner of security for our liberty, property, or the independency of this kingdom. By being unarmed, we every day run the risk of our all, since we know not how soon that event may overtake us: to continue still unarmed when by this very Act now under deliberation we have put a case, which happening may separate us from England, would be the grossest of all follies.

The proceedings of the Scottish Parliament aroused comparatively little interest in England at the time. English statesmen, absorbed in a great European struggle, cared little for the rhetoric of Scottish nationalism: possibly very little of it reached their ears at all. Scotland, however, had one weapon more effective than any extemporized militia—the weapon of the succession.

England was intensely anxious to see the Stuart family definitely excluded by statute from the throne of Scotland. In response to repeated exhortations from the throne to settle the succession, the Scottish Parliament passed in 1703 the Act which was the final outcome of the debates we have been considering, and which is known as the Act of Security. The Act was passed by a combination of the Jacobites and the Nationalist Whigs; and the vagueness

## The Union of England and Scotland

of its terms is due to the necessities of this coalition. The Jacobites welcomed the doubt as to the succession, because it meant that the door was not definitely closed against the return of the Stuarts. The Nationalists welcomed it because it provided them with an admirable instrument for extorting favourable terms of settlement from England. The Act provided that at the death of Queen Anne the Estates of Scotland should meet and nominate a successor. This successor was to be of the royal line of Scotland, and a Protestant, but was not to be the person who succeeded to the Crown of England, unless during her Majesty's reign such conditions of government were settled "as may secure the honour and sovereignty of this crown and kingdom, the freedom, frequency and power of Parliaments, the religion, liberty and trade of the nation from English or any foreign influence." In other words, Scotland would sever the last connexion with England unless all the nationalist eloquence of 1703 were condensed into Acts of Parliament. One item of the Nationalist programme was definitely included in the Act—the provision namely for arming the Protestant "fencible men of the kingdom."

In the face of so direct a challenge the High Commissioner could take but one course: and he refused accordingly to touch the bill with the royal sceptre. The Parliament retaliated in the following session by refusing to grant supplies until the royal assent was given. There was a very real danger that the army would go unpaid just at a time—before the news of Blenheim arrived—when a French invasion of Scottish territory was expected almost hourly. In the circumstances, Godolphin advised the new High Commissioner, Lord Tweeddale, to give way, and the bill became law as it stood.

It was now England's turn to apply pressure. An Act was passed by the Parliament of Westminster, which declared that unless the Scottish succession were settled by Christmas Day, 1705, Scotsmen were to be held aliens and incapable of inheriting land, that no arms or horses



## The Union of England and Scotland

were to be exported to Scotland, and that no Scottish cattle, linen or coals were to be imported into England. It is interesting to notice that the bill, as originally passed by the House of Lords, contained a provision "that the Lord Admiral or Commissioners of the Admiralty for the time being be required to give orders to Her Majesty's ships to take such ships as they shall find trading from Scotland to France or to the ports of any of Her Majesty's enemies." The Commons rejected this bill on a question of privilege, and substituted for it a bill drawn on the same lines but omitting this particular provision. Stronger emphasis was given to the proceedings of Parliament by the mobilization of the militia in the northern counties.

England's point of view was perfectly intelligible. She could not tolerate a Jacobite dynasty north of the Tweed, with its inevitable consequence of disaffection and possibly rebellion on the part of the English Jacobites. The idea of an independent Scotland, either under a Protestant dynasty or a republican form of government, was equally unthinkable to English statesmen. The Act for the importation of French wines was a sufficient indication of the danger that Scotland might avenge herself for real or fancied insults by reverting to her traditional policy of leaning on France. If Scotland felt that she could not be a nation except in separation from England, England was equally convinced that the independence of Scotland would be a direct menace to her own security.

With Scotland threatening separation and England threatening war, the situation in 1705 was perilous in the extreme; and it is worth while to notice that the immediate cause of the quarrel was in reality a side issue. There was no real dispute about the succession. Scotland had just as much cause as England to exclude the Stuarts in perpetuity, and though high words were spoken about the House of Hanover, Scotland never suggested seriously an alternative line. The question of the succession, however, was one of those questions of common moment in



## The Union of England and Scotland

which the presumption was that England would lead and Scotland would follow. Accordingly it afforded an admirable fighting ground for the upholders of Scottish national dignity. But the real difficulty extended far beyond the bounds of this particular problem, and would inevitably have come to light even if the Queen had left an heir to the throne. Briefly the difficulty was this—that the nationhood to which Scotland aspired was incompatible with a common foreign policy. Scotland did not object to supporting the European wars of the king of Scotland; she did object to supporting wars in which she had no voice and little interest. English ministers on the other hand were ready to champion the cause of Scotland, when it did not conflict with the interests of England. They were bound, in their own interest, to protect the coasts of Scotland from attack. They accepted the honourable obligation to convoy Scottish merchant ships in time of war. But they were not prepared to use the resources of England to further Scottish adventures adverse to English and consequently to the common interests. Scotland did not choose the road of separation because she was hostile to the English connexion as such. England was not averse from Scottish autonomy as such; she merely maintained her right to give preference to the wider interests of which she was the guardian. The situation was intolerable, not from the aggressiveness of Scotland or the arrogance of England, but from the essential nature of political man.

“Historical parallels,” said Lord Morley in a recent address, “are a snare to working statesmen.” Certainly historical parallels may be used, like many another form of reasoning, to bolster up a mistaken policy and justify it to its authors. But after all, the psychology of nations can only be known from the history of nations, and the psychology of nations is the very essence of the science of politics. It remains then to be seen whether any contribution to the larger science can be extracted from this brief study of Scottish history.

## The Union of England and Scotland

It will conduce to clearness of thought if we recapitulate, even at the risk of repetition, the main features of the situation. Scotland and England were two political communities endowed with separate, though similar, constitutions and independent executives under the Crown. Owing to the fact that the king of Scotland was also king of England, they were in practice, for the purposes of foreign relations, one political community. Those affairs which were common to both kingdoms, namely foreign affairs, were inevitably administered by the more powerful of the two. Scotland, once cured of her passion for arid controversy, found that she could not stand still. She could not stand for ever conning the riddles of divines. She felt the need for national expansion, for increased wealth and power, for a more exalted status in the world. She too would people the waste places of the earth and reap the rich harvest from over the seas. Her first great venture was a disastrous failure, chiefly through bad management and lack of information. Incidentally the failure revealed the fact that Scotland's aspirations towards wealth and power conflicted with England's wider interests. For Scotland meekly to have accepted this situation would have meant to stand still again and to be lost in hopeless stagnation. To go on meant to accept the full responsibilities of sovereign nationhood. This was the nobler course, and Scotland chose it. She claimed accordingly a voice in the making of peace and war. She claimed the right to appoint ambassadors to champion Scottish rights against the world at large. She would have acquired an army and a navy had she but possessed the means to create them. In default, her nationalist citizens proceeded to arm themselves.

This was the road of nationhood—the method by which Scotland might become a people instead of an appanage of the English Crown. In the opposite direction lay the road of submissive co-operation. If Scotland had chosen this road she would have surrendered all her national ambitions, she would have discarded all her national responsi-



## The Union of England and Scotland

bilities. She would have been dragged behind the chariot of English foreign policy, and would have received small thanks when she put her puny shoulder to the wheel to free it from the rut. There would have been no crisis indeed, but neither would there have been a Scottish nation.

These were the considerations which influenced the conduct of the Scottish Government. It is almost more important, from our present point of view, to consider the influences which were at work upon the Scottish citizen. Scotsmen had to choose between loyalty to Scotland and loyalty to the English connexion, between obedience to a Scottish Government, responsible to a Scottish Parliament, and obedience to the English Government, which was the guardian of wider interests, but was not a Scottish government. So soon as the two nations ceased to be co-ordinated by the autocratic powers of the common Crown there was in fact a clear issue of divided citizenship. There was no organ of government which could express unequivocally the common aims of the two kingdoms. However conscientiously the English Government might safeguard Scottish interests, Scotland had no proprietary interest and consequently no faith in it. At the first hint of conflict Scottish opinion ranged itself unquestioningly on the side of the Scottish Government—the visible symbol of Scottish nationhood, and the direct object of Scottish loyalty. The material advantages of the English hegemony were many and conspicuous, but the claims of a near and actual government are usually more powerful than the remote prospect of material advantage. A united Greece might have monopolized the wealth and power of the Mediterranean; but the Athenian was first a citizen of Athens and only secondarily a Greek. Germany might have become a world-power centuries back: but the Würtemburger thought more of a sovereign Würtemberg than of a united and powerful Germany. It was Grattan himself, an ardent and sincere advocate of Irish co-operation in British policy, who declared:



## The Union of England and Scotland

If any body of men are justified in thinking that the Irish constitution is incompatible with the British Empire, perish the Empire! live the Constitution!

If the histories of Greece and of Germany display the weakness consequent on divided citizenship, the history of Scotland shows how rapidly and how disastrously its dangers may develop. What then is the remedy? The first instinct of Scotland was to surrender all that part of her citizenship which consisted in allegiance to the king of England, and so to extend the functions of the Scottish executive that it could command obedience in all departments of national life. This was separation. The first instinct of England was to resist this development at all hazards, and to impose by force of arms the necessity of obedience to the English executive. The peculiar circumstances of Scotland certainly enhanced the dangers involved in separation, but it is well to remember that Great Britain did not shrink from war to prevent the secession of the American colonies, and that the North did not shrink from war to prevent the secession of the South.

War therefore is a contingency with which we must reckon if we are to weigh every possibility and anticipate every emergency. But it is of far more urgent importance to notice that all solutions, warlike or peaceful, must possess one common feature. They must replace a doubtful allegiance by a clear allegiance, a divided allegiance by a single allegiance. Conquest, like separation, reconciles conflicting citizenships by destroying one of them. The effectiveness of the remedy depends directly on the effectiveness of the destruction. The remedy by absorption is a remedy only less drastic than that of conquest, and it has the disadvantage of tending to destroy that narrow, local patriotism which is always a valuable political asset. It may be necessary, as the absorption of Hanover by Prussia has proved, but it will seldom be adopted willingly except in the face of urgent danger.

## The Union of England and Scotland

It is interesting to notice therefore that a middle course was discussed at the very outset by the Commission which settled the terms of Union in 1706. The proposals emanated from the Scottish Commissioners, and their purport is expressed broadly in the amendment moved by the Duke of Hamilton to the Bill of 1705 authorizing the appointment of Commissioners. The amendment was as follows :

That the Union to be treated on should no ways derogate from any fundamental laws, ancient privileges, offices, rights, liberties and dignities of the Scots nation.

Taken literally, such a condition would clearly have precluded any form of organic union whatsoever. It was indeed in accordance with all the precedents of history that Scotsmen should cling tenaciously to that citizenship which was nearest to them and most intimately their own; that they should desire to enjoy the strength which comes from union without undertaking the responsibility of a wider and paramount citizenship. It was inevitable too that this attitude of mind should express itself in a series of negations. This, for example, is how Daniel Defoe described the debate on the Articles of Union when they were returned to the Scottish Parliament :

And thus now stood the debate. "No incorporating Union" was the word. "Let us have an union with England with all our hearts; but no incorporation; let us keep our Parliament—keep our sovereignty—keep our independency—keep our constitution: and for all the rest we are ready to unite with you as firmly as you can devise."

The following resolution, moved by the Marquis of Annandale in November, 1706, states the same view in more explicit language:

That we are willing to enter into such an Union with our neighbours of England, as shall unite us entirely and after the most strict manner, in all their and our interests or successions, wars, alliances and trade, reserving to us the sovereignty and independency of the crown and monarchy, and the ancient privileges and immunities



## The Union of England and Scotland

of the kingdom, and the constitution and frame of the government, both of Church and State, as they stand now, established by our fundamental constitution, by our Claim of Right and by the laws following thereupon.

This was only another way of saying that Scotsmen would retain their separate Scottish citizenship, and, as citizens of an independent kingdom, would offer England a perpetual alliance and a commercial treaty. The proposals did not touch the root of the difficulty. Either the alliance and treaty were shams and revocable at will, or else they involved obedience to the English executive government. The one alternative involved separation; the other involved a continuance of divided citizenship.

Exactly the same must be said of two suggested solutions, which seem at first sight to go beyond the difficulties of the moment. The first, that of Andrew Fletcher, is remarkable more for the personality of its author than for its bearing on practical politics. The plan suggested formed part of a Utopian scheme for dividing Europe into states so constituted as to eliminate the possibility of wars of conquest. We know, however, from the following passage that it was suggested by the situation in Great Britain:

I considered that in a state of separation from England my country would be perpetually involved in bloody and destructive wars. But if we should be united to that kingdom in any other way, we must of necessity fall under the miserable and languishing condition of all places that depend upon a remote seat of government.

The essence of the scheme was the division of Europe, in accordance with geographical features, into ten provinces, of which the British Isles were to be one. Each province in its turn was to be divided among ten or twelve sovereign city-states. The British territory, for example, was to be divided among London, Bristol, Chester, Norwich, York, Stirling, Inverness, Dublin, Cork, Galway, and Londonderry. Each of these city-states was to be an independent kingdom. "All the same offices that belong to



## The Union of England and Scotland

a great kingdom must be in each of them." Each was to have its own laws, its own administration of justice, its own militia, and its own fortresses. Fletcher, mindful "as to the military part in which principally such a union has to exert its power," placed the whole province under a single monarch. To ensure impartiality the monarch was either to be peripatetic or else to reside in a sort of neutral zone.

Of this fantastic scheme it will be sufficient to say that it might possibly preclude the difficulty of divided allegiance, because it is difficult to see how the king of the province, as such, could command from any one of his subjects any but the most dim and sentimental allegiance. Fletcher's admitted model was the Achæan League—one of the most futile of the many futile leagues which have sought power in jealousy and disunion. When we come down to facts we find him on the side of those who hold that virtual or acknowledged separation and the abolition of every organ of common counsel are the surest guarantees of active, constant and ungrudging co-operation.

Remove, [he said], the English influence on Scottish affairs and cut off the inducement to frequent the English court, and the main cause of Scottish depression will be eradicated. For we shall then be possessed of liberty and be free from the corruption of a Court. We shall have the certain and constant alliance of a powerful nation of the same language, religion and government lying between us and all our enemies both by sea and land, and obliged in interest to keep perpetual peace and amity with all of us.

The second suggestion came from Benjamin Furley, a detached Rotterdam merchant, and the friend of George Fox. Writing to Shrewsbury in December, 1706, he censured the Scottish Parliament for being unwarrantably complacent over the details of the Union.

I should rather, [he continued], see such a Federal Union as betwixt the seven provinces, who do each keep their own sovereignty, laws, rights and customs, which, in my mind, does as well preserve the union against all attempts of France to disunite us. Whereas

## The Union of England and Scotland

this Incorporating Union seems to lay such seeds of dissension, animosity and heartburning that in unmortified men that are not masters of their passions, must needs produce the quite contrary of an union of spirits and interests.

And I pray God it breaks not out into tumults and war, and makes them not seek another King than that of England, if her Majesty (whom God long preserve) should soon die. And then France will have his will with a witness.

The United Provinces of the Netherlands furnished an obvious precedent for the eighteenth century constitutionalist, and must have inspired a great deal of this so-called "federalism." It is therefore important to estimate the value of the precedent. Each of the seven provinces had provincial estates and a provincial stadtholder. Affairs common to the confederacy were transacted in the Estates General, which consisted of delegates from the provincial estates. The federal executive was vested in an elective chief stadtholder and a Council of State. The Estates General could not make peace or war, could not levy any tax or conclude any alliance without the consent of the provincial estates, and the provincial estates could not give their consent till they had been authorized to do so by all the municipalities represented in them. Further, each province was technically a sovereign state in relation to foreign powers, though Holland alone had the right to be represented at the Courts of Paris and Vienna.

On the face of it the machinery for common action was slow and cumbersome to an almost unexampled degree. In the Low Countries it worked well only because all power, local and federal, was in the hands of a narrow bourgeois oligarchy, guided by common interests and imbued with common ideals. How far could such a constitution have solved the problem of divided citizenship? The answer surely is this. The Dutchman in the last resort was the citizen of his municipality, and of his municipality alone. All other organs of government possessed only delegated powers. The central government could not command



## The Union of England and Scotland

allegiance; it could only recommend a policy. If the policy recommended was in fact usually carried out, the reason was twofold. The sense of common citizenship was kept alive by the wholesome terror of French aggression; and the centrifugal force of municipalism was balanced by the steadfast solidarity of the bourgeois governing class. The texture of the social fabric was so uniform that the seams, however botched, were hardly apparent. It would in fact be truer to say that the whole problem of Dutch citizenship was obscured by eminently peculiar circumstances than that the constitution of the United Provinces provided any solution. There was absolutely no provision for reconciling mutual jealousy, conflicts of interest, or ultimately conflicts of civic duty.

The fate of the various Scottish proposals at the hands of the English Commissioners can best be gathered from Lord Belhaven's account of the first day's proceedings:

I am informed, my lord, [he said in the Scottish Parliament], that our commissioners did indeed frankly tell the lords commissioners for England, that the inclinations of the people of Scotland were much altered of late in relation to an incorporating union; and that therefore . . . it was proper to begin the treaty upon the foot of the treaty of 1604 year of God, the time when we came first under one sovereign; but this the English Commissioners would not agree to and our Commissioners, that they might not seem obstinate, were willing to treat and conclude in the terms laid before this honourable House and subjected to their determination.

If the lords commissioners for England had been as civil and complaisant they should certainly have finished a federal treaty likewise that both nations might have the choice which of them to have gone into, as they thought fit; but they would hear of nothing but an entire and complete union, a name which comprehends an union either by incorporation, surrender or conquest; whereas our Commissioners thought of nothing but a fair, equal, incorporating union. Whether this be so or no I leave it to every man's judgement; but as for myself I must beg liberty to think it no such thing; for I take an incorporating union to be where there is a change both in the material and formal points of government, as if two pieces of metal were melted down into one mass, it can neither be said to retain its former form or substance as it did before the mixture. But now I



## The Union of England and Scotland

see . . . the English constitution remaining firm, the same two Houses of Parliament, the same taxes, the same customs, the same excises, the same trading companies, the same municipal laws and courts of judicature; and all ours either subject to regulations or annihilations, only we have the honour to pay their old debts and to have some few persons present for witnesses to the validity of the deed when they are pleased to contract more.

The people of England, wrote the Earl of Mar in 1706, "think all the notions about federal unions and forms a mere jest or chimera"—and the people of England were right. The solutions propounded by the Scottish nationalists under the name of "federation" were mostly limited to pure negations. At best they were designed temporarily to alleviate immediate symptoms rather than to attack the root of the disease.

In spite of the strong nationalist feeling in Scotland, England's terms were accepted by the Scottish Commissioners and by the Scottish Parliament. That fact is the standing proof that the necessities of the situation were too urgent to admit of delay or of compromise. James Hodges summed up the essential factors of the case in a sentence of the pamphlet entitled *War betwixt the two British kingdoms considered*:

England wanteth Scotland for shutting up a back door against foreign invasion and for securing the dependency of Ireland, and Scotland wanteth England for securing themselves against so potent neighbours against whom they have no barrier.

The Scottish people, in fact, had realized that without England's support they were not merely negligible in world politics, but absolutely defenceless. "It is very well known," said Fletcher, in 1703, "that this nation cannot maintain so many standing forces as would be necessary for our defence." The Scottish people also saw in free trade with England the possibility of realizing their growing commercial ambitions. They were urgently in need both of protection and of a wider commerce, but, as may be judged

## The Union of England and Scotland

from their schemes of compromise, they were unwilling to pay the price except under compulsion. In the baldest terms they desired the benefits of England's strength without the burden of England's responsibilities. England, on the other hand, was firm in refusing to concede the privileges of her citizenship without imposing at the same time its obligations. In the face of this determined attitude, Scotland was compelled either to submit to England's terms or to engage, without troops or without ships, in a hopeless war.

The method of reconciliation adopted—the method of absorption by consent—was a method which commended itself at the time solely on the ground of urgency and necessity. The cause of the Union for its own sake never found more than lukewarm support in England. In Scotland it aroused the most indignant antagonism. But the method was successful, just because it replaced a citizenship of Scotland, supplemented by a vague allegiance to the common Crown, by a clear and undivided citizenship of Great Britain. It must have seemed at the time that the sacrifices demanded of Scotland were disproportionately great. She was surrendering apparently her sovereignty, her ancient constitution, even her national identity, and bartering them for free trade with England. Time alone could show that she was exchanging the citizenship of a petty and inevitably subordinate kingdom for full and unquestioned partnership in a magnificent Imperial heritage.

## POLITICAL CRIME IN INDIA

A WRITER in the last number of *THE ROUND TABLE* expressed the hope that crimes of violence would no longer attend or influence the course of political development in India. There were some reasons for such hope. Many months had gone without a political outrage. The Nationalist leaders had abated the vehemence of their tone and were throwing themselves with fervour into the game of constitutional opposition. Among thinking men there was a general feeling that an important crisis in India's history had been happily passed, and that nothing but good will was needed to make the new era a success; and the illiterate masses of the country had been stirred to a remarkable display of loyalty and pleasure by the coming of the King. But the last number of *THE ROUND TABLE* cannot even have reached some of its readers before such optimistic expectations were rudely dispelled. It becomes necessary therefore to pursue the unattractive subject which the previous article set aside perhaps too lightly.

The whole civilized world was startled by the grim news of December 23. As the Viceroy of India was making a ceremonial entry into Delhi, to take over the metropolitan territory from the Government of the Punjab and to inaugurate the new capital, he narrowly escaped assassination. Some unknown person threw a bomb from a house in the main bazaar of the city as the procession was passing along it, and escaped unseen in the confusion and the crowd. The sorely-wounded Viceroy was able to give directions that the ceremony should proceed without him, and—as some also



## Political Crime in India

say—that no summary measures of punishment should be taken in the heat of the moment, which might involve possibly innocent persons. The procession re-formed; the ceremony proceeded with an inevitableness that gave pleasure to many English hearts; nor was it long before the general anxiety was relieved by the news that there was every hope of Lord Hardinge's recovery.

Through all the outburst of excited comment with which India has resounded there runs one dominant note. The personal intrepidity of the Viceroy and of Lady Hardinge has won most just admiration. The unperturbed progress of the official ceremonial has impressed the imagination. The abstention from some swift, dramatic act of retribution, which might have confounded innocent and guilty, but would have been understood as the inevitable explosion of offended majesty, has been marvelled at, and, according to men's views, has been either applauded or deplored. But for the most part, India's feelings about the crime are expressing themselves in a confused murmur of surprise, anger and shame. No one imagined that the Delhi ceremony would attract an assassin. The sanctity of Royalty still invested the city. Local feeling was jubilant about a change which meant profits for local pockets; nor could the wildest alarmist conceive that those who disliked it most would express their objection with a bomb. Lord Hardinge himself has won general liking and admiration; he has even been called by his peculiar devotees "the greatest friend of India since Lord Ripon." The feeling of the common man is that not only has the life of a kindly and honourable gentleman been attempted without any shadow of excuse, but also that the crime is a black piece of ingratitude to the Government and of disloyalty to the Crown. The constitutional changes to which Lord Morley's name attaches, the modification of the partition of Bengal, the appointment of the public services commission are all claimed by advanced thinkers as concessions wrung from a reluctant bureaucracy by sheer merit and determination. But the bulk of sober

## Political Crime in India

opinion in India has not ceased to think of them as the benefactions of a mild autocracy which should have been repaid by the gratitude and contentment of its subjects. And that the King's own Vicegerent, in that same city of the King which a bare year ago was hallowed by the Royal presence and resounding with cries of loyalty and pride, should be struck down by a murderer in the solemn moment when he was performing his Sovereign's pleasure and had the greatest call on men's reverence and esteem—this is felt to be indeed a stain upon the honour and faith of India which no mere words of abhorrence and repudiation can remove. To the minds of those who know the Oriental feeling of devotion for a personal Sovereign the analogy will recur, without irreverence, of the contrast between two successive scenes in Jerusalem many centuries ago.

After the custom of the country, the common feeling of the people has manifested itself in public meetings innumerable, to denounce the criminal, to express devotion, or to offer prayers or to return thanks for the Viceroy's escape. Offerings of money, freely made, have lent point to these manifestations. The first impulse was to offer rewards for the murderer's arrest. But in this there is little wisdom, for the Government does not lack resources for such a purpose; and inflated rewards may readily produce ingeniously false charges. It is far better that the sums offered to mark abhorrence of the crime should be treated as thank-offerings for its failure, and applied after the traditional usage to the good works for which there is always need.

The police are hard at work, but if they have any clue they are wisely keeping their own counsel. The Government also has so far refrained from any indication of its intentions. In such circumstances comment should be heedful, and well weighed. But most Englishmen in India will agree that certain truths should be told.

After a crime like this, appalling in its cynical wickedness and insolence, English people are apt to fall into one of two



## Political Crime in India

dangers. We may be hasty and heavy-handed; or from fear of incurring that reproach we may be dull, indifferent, and inert. It may be doubtful on which side lies the greater peril to the State; but it can hardly be doubtful to which error we shall more easily incline. The day after the news reached London, India learned by cable that most of the great newspapers were expressing their complete confidence that the crime was the work of an isolated fanatic, having no political significance, and their hope that it would make no difference to the policy of progress on which the Government of India had entered. And there is great likelihood that this easy opinion will prevail. It accords too thoroughly with the Britannic temperament and intelligence not to commend itself to the great majority. It is pleasanter to believe that no Indians can hate our rule so much as to be plotting its destruction in our blood. To prove the actual existence of conspiracy is immensely difficult; and till it is proved it is much more comfortable to go on believing that it does not exist. When any action is doubtful and troublesome, inaction is always attractive: and the inertness of laziness or perplexity can easily be glorified into the magnanimity and moderation of a great people strong in the righteousness of their cause and generously confident of the reasonableness of their Indian brothers.

There is no danger that the present Government will be heavy-handed in reprisal. There is at least a risk that it will obstinately shut its eyes to things as they are, and make a virtue of doing nothing. For whatever beliefs are held by the Council or the cabinet about the crime at Delhi, there is no uncertainty as to what the Englishman in India or what the average Indian believes. He welcomes the expressions of regret and loyalty, but he does not believe that no silence is significant and that no voice is false. He does not imagine that a single madman threw the bomb, possessed by mere blind hatred of the alien, such as inflames the *ghazi* of the frontier when he knifes or shoots the nearest British officer. He argues only from facts that all the world



## Political Crime in India

knows, but they lead him to no hesitating conclusion. The careful selection of the victim and of the opportunity proves that the object was to strike at the Raj itself. The use of a bomb betrays an assailant who did not trust himself to use a braver weapon, or who set some store upon his own escape. The very making of a bomb implies premeditation, study and experiment. And it is argued also—though the evidence is insufficient—that the assassin's escape must have been furthered by the actual presence of confederates in the crowd about him.

There are many who would go further. They would say that, if we weigh these *data* carefully and then recall what we know of previous political murders in India, we can make a shrewd conjecture as to the character of the assassin. In all likelihood, they tell us, he is a young, excitable, over-driven university student. He has brooded over family misfortunes or religious difficulties or academic failure or real or fancied personal rebuffs; and he has drunk in the rhetoric of his fellows, and of men older and wickeder than they, about his country's wrongs, till the ferment has turned his head and he has lived only to do a deed that will, he fancies, make him glorious in history. Whether he comes from Calcutta or Lahore, or Poona or Aligarh matters relatively little. We have no good reason for naming any of them. Every prominent race and religion in India has been freely accused by the others of the shame of providing him. But, so far as the known facts go, we have as yet absolutely no better reason for imagining that the crime is the work of a Muhammadan smarting with anguish for the supposed wrongs of Turkey, than for imputing it to a Mahratta disciple of the imprisoned Tilak, or an Arya admirer of Lala Lajpat Rai. We have no particular knowledge, and without it nothing is gained by particular imputations which only embitter proud innocence and drive the races into further antagonism.

The only conclusion on which public opinion in India is agreed—saving that of the editors and politicians who are

## Political Crime in India

confident that the crime was a madman's—is that the murderer was the agent of an organized and resolute conspiracy. Now, the continued existence of a plot to attain political ends by the rude means of murder is a profoundly depressing and harassing disclosure. The trouble lies not merely or chiefly in unearthing and breaking up the particular gang which planned and carried out this or any other attempt on the life of Englishmen. That is difficult and dangerous work, but it may be safely left to the police of India, not a few of whom have given their lives in the task already. The real trouble lies in the danger that such occurrences may be continuing. Political murder is not like ordinary crime. Its roots lie not in the lusts or madness of a man, but in the diseased ideas of many men. It is a crime that tends to propagate itself most rapidly, because morbid minds look on each recurrence as a splendid and heroic act that calls for imitation. It cannot be stayed except by removing the precedent conditions or by most drastic and painful surgery. And yet if unstayed it is capable of soon bringing progress to a standstill. England cannot merely look on, in mild regret, while her Viceroy and Governors and magistrates are successively blown up, without putting forth more of her powers than are employed in an ordinary and possibly abortive police inquiry. She must quickly make reprisals, or the day of her authority will be done. And we may surely hope that the last alternative is unthinkable. If, after holding India for a hundred and fifty years in the name of justice and order, England stooped to withdraw from it before lawless crime, there could be no shame in history surpassing hers.

But when we attempt to analyse the causes as a preliminary to seeking for the remedy, we soon find ourselves in deep places. Poverty, family ruin, religious bigotry, mental overstrain, disappointed ambition or affection, hereditary criminal taints, lunacy—these are the chief causes, in India as elsewhere, that predispose men to violent crime. But the reasons which give crime a political character



## Political Crime in India

we can see less clearly. India knows, even if England doubts, that these outbreaks are not normal, inevitable incidents in the story of a nation rightly struggling to be free. There is no general and just resentment against British dominion in this country, as there was against Russian rule in Poland or Austrian rule in Italy. No sensible being believes the legend of men being ground down by exactions like the Israelites in Egypt, or hounded by the contempt and brutality of foreign officials into a despair that drives them to strike down their oppressors if they are to preserve their self-respect as men. These things simply are not, and he who says they are knows that they are not. Desire, genuine and growing, there is for an ampler share in the government; but that cause is eloquently pleaded on the very grounds of growing capacity and sweet reason to which the bomb of the anarchist most loudly gives the lie.

There is something peculiarly irrational and amazing about an act which accomplishes nothing but the very hindrance of the only purpose that can be assigned to it. Folly we know, and crime we know, but it is the strange blend of the two that arrests attention and directs the inquiry in one particular direction. No one but a visionary and fanatic need, in the present peaceful conditions of the country, think of giving his life for a cause which is slowly winning by orderly means, and which his act can only hamper. No one but a criminal desires to take the lives of those who have never done him hurt. Where all is uncertain it is the most probable working hypothesis that we have to deal with the unusual combination of folly in the hands of crime.

It has to be sorrowfully confessed that part of the mischief is obviously of our own making. Our educational system, or want of system, has produced in thousands a class of young enthusiasts bred up on textbooks of European politics and science. It has utterly destroyed their faith in the old dispensation—their pundits and maulavis, their reverence for established things, and the old leisured,



## Political Crime in India

immemorial order of Indian life. It has given them in its place no new moral guidance beyond the cold ethical precepts of Spencer or Emerson. It has set before them, as the grand lesson of history, the inspiring story of nations winning freedom from their kings. But it has done nothing to remind the Indian student of the huge antecedent task that lies in front of him, before he can rightly compare himself even to a man of Athens under Pisistratus, far less to a Roundhead under King Charles. It has never brought home to uncritical intelligence the initial fact that European civilization is based on the brotherhood of the citizens; and that, so long as India is divided in a chaos of kindreds and castes and tribes and religions, each of which is incapable of sympathy for those beyond its boundary line, there lies before it an untold era, which is wholly lacking in the story of the West, before her reproduction of European political advance can properly begin. We have taught the Indians that a nation should win freedom: we have never taught them how they should first become a nation.

What good fruits can be expected of a tree so casually tended? Suppose that our typical Indian student, over-stuffed with book-learning that he has faithfully memorized but only half understands, with no ethical guidance beyond a chilly philosophic phrase, with no practical example of citizenship but those derived from conditions immeasurably unlike his own—suppose that such a lad, overdone by the strain of incredible study and possibly privations beyond those of Glasgow and Aberdeen, and weakened in all likelihood as well by the temptations of life in a city boarding-house, comes to disaster in his final examination, and sees the remunerative career which was to support his brothers and repay the debts his father incurred to educate him, vanish like the bursting of a bubble. It is the story not of tens but of hundreds. These are the men to whose number we are adding every day: and they are the natural community from whom the Indian anarchist is recruited.

## Political Crime in India

It may well be asked:—Need we look further? Does not the whole explanation lie in the existence of this unhealthy stratum, fermenting with the germs of physical unsoundness, disappointed hopes, injured vanity, personal rancour, and ignorant erudition? Cannot we correct our educational methods and get rid of the mischief?

There is great stir nowadays in the educational world of India, and strenuous efforts are being made, and have been made, since Lord Curzon started his crusade twelve years ago, to take and reshape the system upon sounder lines. But there are two enormous obstacles in the way. The one is that, so far as moral guidance goes, we have deliberately abjured the aid of all religious influences, and have, so far, utterly failed to find any satisfactory substitute for them. The other, if the truth is to be told, is that the country at large does not yet want what we understand by real education. It hungers and thirsts for the instruction which will increase an income, or give promotion in the world; but it hardly understands or desires the ordered training of character and the qualities which make a citizen. The reformed education which will render the political anarchist impossible is not yet in sight: even if the country had not unhappily accumulated a large enough stock already of potentially anarchical material to last a long time.

But, really, there is little doubt that we do have to look further than the student. It is common knowledge that he has been the tool of other people. Among every kind of professional men—newspaper editors, priests and religious instructors, schoolmasters, professors, doctors and lawyers—there are those who have been deliberately at work preaching the gospel of rebellion and murder to excited pupils. For a time the bad work was done openly in the press, and was too long tolerated by Government. But it has been pursued in secret also, in private meetings, even in class-rooms, and by books and pamphlets and correspondence. It is difficult to write temperately of such persons.



## Political Crime in India

They have not the excuse of private injuries, nor that of self-sacrifice, nor that of ignorance. They have a position in the world; they corrupt others rather than face the peril themselves; and they know, or ought to know, that the crimes to which they incite must defeat their own end. For they are of the intellectual salt of India, of the very classes on which the foundations of the new constitutional system of India are, none too stably, laid.

If this account of things, which may be taken as expressing the beliefs of the average man, is true, the problem is a difficult one enough. But yet there would probably be agreement as to the general direction in which the solution should be sought, though opinion would differ as to the precise means. Both enthusiasts and doubters would agree that education must be made saner; and that the corrupters of youth must be suppressed. But it is possible that the diagnosis is still incomplete. There seems good reason for asserting that, while political opinion in India is so ill-informed, and political leadership so largely in the hands of the adventurers of society, there is positive danger to the State, not merely from the morbid and the criminal classes, but even from the moderate, enlightened critics, from whose intelligent co-operation with the Government so much is expected under the present scheme of things. Now this is a hard saying. It will offend every liberal Englishman—one hardly knows whether to give the adjective a capital letter or not—who believes that unrest is simply the result of cramped capacity, and that expansion of privilege is the cure of all India's ills. It is grossly unjust, he will protest, to blame upright and innocent-minded public men for results which they themselves view with horror and dismay. What, is it suggested that the new members of Council are to sit like dumb automata, and shirk their duty because other men are fools and knaves? Are they their brothers' keepers? Is it not the business of the executive alone to hunt down and repress violence?



## Political Crime in India

These questions seem to admit of one answer only. But the matter is not so obvious as it appears to those who view it in the light of English Parliamentary experience. For such observers induce the problem with conditions that are not, and they strip it of some that are. The opinion may be honestly held, not merely by the red reactionary, but by the modest striver after political truth and well-being; that even constitutional opposition in India has great dangers and responsibilities; and never more so than at the present moment.

Now, no one in his senses insinuates or imagines that the prominent Nationalist leaders approve of the Delhi crime. They are, many of them, honourable men, and they feel the stain upon the country's faith as keenly as the most conservative country gentleman, or the most devoted servant of the State. Or, to put the matter on a lower ground, they are truly intelligent men, who know that violence can only harm their cause. But political experience is still in its infancy, and political usage is very young. Opposition to Government measures may wear a decorous and seemly look in Council. Outside Council, however, what impresses the mass is not the manner of the opposition, but the fact of it; and the example set tends to be imitated by all men of like mind in their own way, according to their character and their opportunities. Obstruction and passive resistance in local boards, active disobedience to unpopular measures, and finally murderous reprisals—these, in a descending scale, are all varying manifestations of one impulse. The local committee man cannot debate in a municipal board with the skill and effectiveness which Mr Gokhale shows in Council. But he is a perfect adept at organizing the residents of an entire ward to obstruct the working of an unpopular reform. The ignorant leader of some religious or agrarian opposition will not argue at all. He takes at once to clubs and stone-throwing. No doubt there is the law, which draws a line between permissible and unlawful opposition. But the distinction has suffered

## Political Crime in India

not a little from the successful attempts to obliterate it in the law courts; and in any case what matters far more than the distinction, is the common element of patent opposition to authority. For authority in India has still no small measure of divinity; and every assault upon it wears a character of adventure that appeals naturally to the enterprising spirits in every grade of life. The example of the stout front shown in Council by the Nationalist leaders rouses in many who admire it the desire of imitation. But the imitators can only employ the less refined methods open to them; and as one goes down the scale of order and intelligence, these pass by gradual stages to boycotting, picketing, intimidation, political dacoity and, in the end, to murder. Let it be said again that no one accuses all the enlightened and humane gentlemen who adorn the Imperial and provincial councils of sympathy with the fanatics who preach that India's regeneration can be won only in the blood of the English. Nevertheless every act of reasonable opposition in high places is an inspiration and encouragement to those who work underground. Legal distinctions, even if the courts could be trusted to maintain them clearly when the plea of political motive is raised, are obscured in the public eye by the dazzle of glory that irradiates resistance to Government. "Constitutional methods" is an irreproachable phrase, but the idea which it conveys is not likely to be of much of a restraining force with people who regard themselves as still struggling for a constitution.

It is hardly to be supposed that the foremost political leaders would admit the responsibility ascribed to them. They cannot afford to do so; for in that case it would be their clear duty not merely to disown, but to seek out and restrain the criminal extremists, or, failing restraint, to expose them. But they would reply at once that they have no means of doing either. And within certain limits this is true. The Indian members of the legislative councils are not in direct touch with any local constituencies, and



## Political Crime in India

have no popular mandate. From this, as an article in the last ROUND TABLE explained, many mischiefs may ensue. But for present purposes the important fact is that the council members have failed to exercise any sort of restraining influence upon the baser sort of their followers. It may strike the impartial observer as a grim comment upon the realities of recent constitution-making in India and the fitness, or otherwise, of the country for it, that one should have to deplore the fact that the representatives of the people cannot keep the people in order. But so it is. Political construction in India has begun in a hurry from the top downwards. We have provided a beautiful procedure for keeping council debates, more or less, within the limits of relevancy, reason, and decorum; but we have never calculated on, or provided for, the effect which the exhibition of such war in heaven may have upon the minds of admirers in much lower regions. The Delhi outrage may indeed make each well-wisher of India ask himself anxiously if we have not been moving too fast.

Of course we have not exhausted our resources. Other measures are possible—a more drastic enforcement of the Arms Act; the prohibition of political meetings and debates; the suppression at pleasure of any newspaper suspected of preaching sedition; the closing of all schools and colleges where the taint of political excitement has appeared; and the summary deportation of all persons, irrespective of position—teachers, religious leaders, pleaders, editors—who are known to be instilling the poison of criminal suggestions. Such measures have all from time to time been tried in a very half-hearted way. They have not been applied with the determination and stringency which is needed, either to carry the conviction that the Government means to exert its strength, or even to prevent evasion.

But for the Government to put forth its full strength will be a confession of bitter disillusionment, as well as a rude shock to the enlightened and moderate public men of India. There is no reason to doubt that conspiracy and



## Political Crime in India

murder can be crushed out in India by force: but that is a process which, to quote the first public expression of horror which was heard at Delhi, "would put the clock back fifty years." Nonetheless it may be necessary, and the onus lies on the Indian leaders to prove that it is not. Let them realize the obligation that now lies on them. They cannot expect to take advantage of a double hand to play. If a bomb is thrown because Bengal is partitioned, there is no longer need of speeches in Council: that is a form of argument to which there are other than dialectical replies. If the dialectics in Council are to go on, there should be no more bomb-throwing. And it is for the Council members and the other natural leaders of the communities to see to it that there is none. It is likely that they can stop it if they resolutely choose. Political organization is rudimentary, but it is not wholly lacking. The leaders can get in touch with the minor politicians, and among these there are unquestionably those who know directly or indirectly what is going on. It may be that the leaders may fail in the attempt. But the first clear requisite of the moment is that they should put themselves right by making it. They are not likely to do so, if Government merely awaits their pleasure. They will go on to the end eloquently repudiating violence and eloquently disclaiming responsibility. But that way further madness lies.

Surely there is nothing harsh or reactionary in now putting a plain issue to the politicians of India. "This crime strikes at the very root of the privileges you enjoy. Both you and we desire their continuance, but you desire it most. Therefore it is no longer enough for you to express pious horror, and regret that you can do no more. You ought to do more. We impute no guilty knowledge to you or to your friends. But we say that you or they can get in touch with those who know or can find out who the actual instigators of murder are. You can, if you will, cause the word to be passed to them that these crimes must cease. If you will not do so, or if they will not hearken, so much the worse. For then it will be disagreeably plain to us and to the world that

## Political Crime in India

the country is not ripe for the political privileges which we have bestowed upon it. We notify to you and to India in general that on the day that the next political murder is attempted, every legislative council, every shred of representative institutions, and every district and municipal board in India will be suspended."

It is to be feared that no robust declaration will, or indeed possibly could, be made. The suspension of statutory bodies requires parliamentary legislation, which process is about the worst that could conceivably be invoked for a disciplinary purpose. Quite the last thing to be desired is a rhetorical display in the House of Commons upon the motives of, and the apologies for, the Indian anarchist. But some emphatic pronouncement by government is most plainly needed. There is not indeed a civilized government in the world but ours which would be content with only words. If we are to be content with words, let them be words of weight. It is unwise to go on trying to pretend that there is no general evil to the State in these offences. It is futile to protest that they are the acts of spasmodic lunatics without combination, premeditation or set purpose. It is hopeless to disguise the truth that they aim at the overthrow of British authority in India. The difficult course, but the prudent and the brave course also, is to face the ugly facts, and to connect them with their ultimate correlative. That correlative is the legislative councils. For it is the councils whose blameless example is so blamefully imitated, and the crimes of the imitators are cutting away the only solid ground on which the councils can be sustained. If the Government makes it plain that constitutional concessions are on their trial, and that their continuance depends precariously upon the absolute cessation of bomb-throwing, there is good hope that all the decent elements in the country will combine to suppress the crime. But if nothing is done, then there seems no reasonable hope that the attempt at Delhi will not be repeated, and perhaps successfully, though God forbid. And in that event the delayed reckoning can only be the sterner when it does come.



# UNITED KINGDOM

## I. THE HOME RULE BILL

ON January 30 the Home Rule Bill ended its first journey through the British Legislature. It was rejected by the House of Lords on that day. Unless the present Government are upset in the meantime the Bill is commonly expected to have a second and third experience like the first, being passed by the Commons and rejected by the Lords, until, by the terms of the Parliament Act, it becomes law without the consent of the Lords in the month of May, 1914. Consequently, to a large extent, the prospects of the Bill and the hopes of Nationalist Ireland are bound up with the fate of the Government, and will depend upon many circumstances which have nothing to do with Home Rule. It may seem that an interest in or against Home Rule should now transform itself into an interest in the longevity of the Government and the event of the next General Election. But this is not altogether necessary. Within the last few months a situation has arisen, or has at least disclosed itself, in which the question of the government of Ireland appears to have a new aspect. Though revealed by the experiences of the Bill, it is independent of the Bill. Though exhibited in the conflict of parties, it shows faint, but deeply interesting, signs of the existence of a non-party opinion upon Home Rule.

There is indeed no change in the Bill itself. As it was in the beginning, when its defects were stated in *THE ROUND TABLE*, so it is now. The amendments made in the



## The Home Rule Bill

House of Commons, though numerous, are not important as regards the broad imperfections of the Bill. In place of a nominated senate, one amendment gives Ireland a Senate elected by a system of proportional representation. Another forbids the Irish Parliament to reduce customs duties below the level existing for the time being in Great Britain. A third extends the facilities for appeal to the Privy Council. A fourth protects Trinity College, Dublin, a Protestant university, from possible persecution. These are the most important of the amendments. With the best of good will it could not be pretended that they touch the objections already made in *THE ROUND TABLE*. That is to say, they do nothing to save the Bill from its resemblance to a row of stepping stones that reach only half-way across the stream. The Bill is still in the position of offering Ireland neither Colonial autonomy nor federal partnership. It still offers what could never be offered either to other parts of the United Kingdom or to any of the oversea Dominions. It has still no air of permanence. It still withholds what Ireland is certain to demand, and bestows what the London Government is certain to resume. It leaves the Irish executive impossibly responsible to two Parliaments. It is still in no sense a settlement of the problems of Irish Government either as a part of the United Kingdom or as a part of the Empire.

Secondly, within the Bill, there is yet no atom of the element of consent. It contains not a word to allay the violent displeasure of Ulster or the hostility of British Unionists. To the last moment the Prime Minister and his spokesmen in the House of Lords maintained their policy and their argument regarding Ulster—their policy of offering “safeguards” where no “safeguards” are asked or wanted, and their somewhat sophistical argument that the Ulster question simply does not exist, because the geographical province of Ulster, as distinct from the Protestant community who use the name, returns as many Nationalists as Unionists to Parliament.

## United Kingdom

The Unionists of Ulster, from the first exasperated at their exclusion from the councils which drew the Bill for the government of their country, have not been soothed by logical demonstrations of their non-existence as a body with solid opinion. The Bill is in no way more acceptable to them than it was at its introduction. It is, indeed, to all intents and purposes unchanged. It has learned nothing and forgotten nothing. And in this respect it must be added that, in spite of fair words, the Nationalists and Unionists of Ireland appear to resemble the Bill.

Nor is the gleam of hope to be seen in the proceedings of the House of Commons. In that House Mr Bonar Law has made the interesting announcement that he will countenance no revolutionary resistance by Ulster if the Bill should receive the approval of the electorate. But what is the value of this? It is true that if there is to be a civil war in Ulster, the attitude of Mr Bonar Law may have an effect upon it, but the very assumption of a civil war arising is so deplorable that no one's attitude towards it can be foreshadowed with the slightest profit. Mr Bonar Law may condemn resistance, after an election, and this might either hasten the Ulstermen's military defeat or damp them into sullen inactivity. But an unhealed and unhealing evil would remain. The settlement of the Irish question is brought no nearer by this.

When the House of Commons arose to its last labours upon the third reading of the Bill, it braced itself for an effort. It was conscious of the historic importance of the occasion. It held, in the old phrase, a full-dress debate. Its protagonists appeared, not outwardly attired in the court costume of a former generation, it is true, but most carefully and correctly made up with the oratorical adornments of the greatest of the Home Rule battles of the past. From the dignified phraseology of Mr Gladstone's successor to the tears in Mr Redmond's eyes, there was nothing lacking. With an effort of genius Mr Balfour spun a web of criticism that would have immeshed a typhoid bacillus,



## The Home Rule Bill

and forged a chain of argument that would have resisted the bull of Basan. The Prime Minister replied with a grand and effective rendering of points he has formerly made. Mr Bonar Law again stated the objections of Ulster. Others also reproduced the old arguments with all the force at their command, and the Chief Secretary for Ireland, in a speech of unusual passion, gave a serious turn to assertions which he has hitherto made in a lighter vein. Throughout the debate there was no regrettable incident and no failure to make good speeches. But there was nothing new. There was hardly a suggestion that the Bill was anything but either wholly perfect or wholly damnable, nor that any other solution of the Irish problem could, or should, be found. The absence of some great figures distinguished this debate from those held on the Home Rule Bills of 1893 and 1886, but not the presence of any new political philosophy or point of view. Had Mr Gladstone returned to take part in the debate, or even Mr Bright, they would have found nothing unfamiliar in the speeches, nothing new except the men. This rigid quality of the Commons' contribution to Irish discussions is extremely disappointing.

### *A New Spirit*

NEITHER in the Commons, therefore, nor in the Bill, nor in the attitude of Irish parties, nor in external events, is there anything to improve the dangerous and discreditable appearance of the Home Rule question. Comfort proceeds from another quarter, from a quarter whence it may not have been expected. It is the House of Lords that has struck the new note. It is to the House of Lords that we have had to look for all that is new and hopeful in Irish discussions, a fact that may not prove the merit of the hereditary system, but does certainly prove the value of getting political questions discussed in places where the



## United Kingdom

waters of opinion are not altogether imprisoned by the party dykes.

Though the House of Lords rejected the Bill without going into Committee upon its clauses, it did perform the functions of a deliberative assembly. Among those of its members who took part in the four days' debate there were supporters of the Bill who admitted its faults, and opponents who recognized that an Irish question exists, that another Home Rule Bill might be good, though this is bad, that the question is one for which human wisdom and good feeling may hope to find some other solution than that of a large waste-paper basket to receive every Bill for the better government of Ireland. There was a recognition that Home Rule and Imperial Federation are associated questions, which may be discussed in the same frame of mind. There was an atmosphere in which such discussion was possible, and where original thought and feeling could find expression. Commenting upon this, the editor of the *Westminster Gazette* finds evidence of a movement in favour of admitting the Bill to be, as one party in the Commons would say, perfection. Such comment is unfortunate. It only suggests an angry answer that certain Liberal peers are shortly to join an Orange Lodge. When we find signs that Home Rule may yet be treated as reasonable men treat differences in business or family life, a better welcome should be given. In England, indeed, where the Press and the parties seem to be becoming gradually almost as much dissociated from general opinion as the Pantaloon and Harlequin from the tired audience at the end of a pantomime, there is the greatest value in this change of style.

Curiously enough, the finer spirit shown in the House of Lords was not most conspicuous among the most exalted. It did not always appear in the cases of those distinguished persons who would have seats in that "Chamber of Notables," which politicians have discussed under the title of "Reform of the Lords." It was shown very often

## The Home Rule Bill

by the backwoodsman peer, who is, of course, of all the legislators in the Kingdom, the least hampered by the bonds of party discipline. But it was not confined to him. Happily for its prospects it found a lodging in breasts which the brightest of stars adorn. It was shown by Lord Grey, Lord Curzon, and the Archbishop of York, who are good enough company to encourage the backwoodsmen. Where we seek it in vain is in those notabilities who are oldest in the party legions. The speeches of Lord Lansdowne, Lord Crewe, Lord St Aldwyn, and Lord Morley might have been made in the House of Commons. These leaders fought according to the rules. Their remarks might be praised as being strictly relevant. They blessed and cursed the Bill. Their minds seemed full of the Bill, the whole Bill, and nothing but the Bill. They were even disconcerted, it seemed, by the heretical opinions expressed around them in the gilded chamber. Like heroes of old, they fought well. But we can afford to leave them alone in their glory, with their martial cloaks around them, and turn to observe a younger generation.

The extreme Imperial and local importance of the other speeches made in the House of Lords upon the Home Rule Bill stands before all other British topics at this moment. Introducing a new manner of treating a single political question, they are remarkable in the following ways. They have first an intrinsic value as tending to the settlement of the Irish question. Secondly they have the value of precedent and example for other constitutional and Imperial questions which the toss of the coin between parties can never decide well or permanently. Thirdly the deplorable absence of the habit of co-operation between parties in England to-day multiplies both the above values by a high figure. It is this third consideration, too, which gives so great a significance to speeches in which, when they are presently quoted, the reader may see no enormous advance upon what might be expected of reasonable men. A good spirit he will recognize, but nothing that would



## United Kingdom

have staggered Lord Burleigh. He must remember that this spirit has not shown itself in the Press, nor in the Commons, nor on public platforms, nor in Dublin or Belfast, neither in regard to the Irish question nor in any of the controversies that have raged round Tariff Reform, Land Reform, Compulsory Service, or the veto of the Second Chamber. Hence the significance of its faintest appearance in the region of Home Rule. And it has appeared more than faintly.

What have been the conspicuous defects of the Home Rule discussions in all places except the House of Lords? They have been, nowhere more noticeably than in the House of Commons, three omissions. The first was the omission of ministers to give any reality to their claim that the Bill was a step towards *Federation*, so that they fell into the unsatisfactory position of assuming a virtue which clearly the Bill had not. The second was the omission of both Liberals and Conservatives to pay any but the merest lip service to the idea that the Irish question might be settled by *Consent*. The third, which is really a branch of the second, was the omission of Conservatives to recognize that even if the Bill be defeated, an Irish question will *remain*. These three omissions it will be convenient to take in turn, still remembering how complete and how regrettable they have been, and the reader himself will judge how far the Second Chamber has gone towards their rectification, and how important and hopeful this change should appear.

### *Admissions by Liberals.*

ON the point of Federalism the contribution of Liberal Peers in the ministry was that they boldly threw over the idea. The Lord Chancellor entered on a detailed argument:



## The Home Rule Bill

I wish to point out why the idea [a federal solution of Irish difficulties] is an idea which on the face of it will not work. The Constitution of Canada has succeeded because of its vast territory and the immense resources which have given rise to wealthy men in most parts of the country, and especially as to the possibility of direct taxation. . . . Apply that to Ireland. Ireland is not a rich country. It is a very poor country, so far as the number of rich men are concerned. In a country like that, taxation must necessarily be in the main indirect. . . . How would it be possible to set up the analogy of provincial government which implies direct taxation?

The argument may be right or wrong, but it is not the argument of a minister seeking to solve the Irish question on federal lines. By the highest Government authority in the Lords that unreal position is abandoned. Lord Morley, another minister, was even more emphatic. He said:

The idea of federation seems to have sprung up like a mushroom in the minds of noble lords simply as a way of avoiding meeting circumstances of the time.

Yet this was the idea to which Mr Asquith and other ministers in the Commons gave the utmost prominence, when the Bill was introduced, as not the smallest of its merits. The warmest friends of a federal solution will not regret its disappearance from among the advertised virtues of a Bill which does nothing to promote it. Let it be hoped that the keenest of Liberals and Conservatives will equally be pleased to note the following admissions of their spokesmen with regard to the supposed perfection of the Bill, and the supposed wickedness of all but the strictest Unionism. We approach the region of consent.

Here is a Liberal Peer, Lord Ribblesdale, supplying a text in the early stages of the debate. He is reported as saying:

He appreciated the Ulster difficulty, and if he thought that the passage of this Bill would prejudice irretrievably any settlement that might be arrived at, he would seriously consider whether he could support it, but he did not see why some settlement by consent should not be reached.

## United Kingdom

Lord Charnwood, another Liberal, took the same line:

The claim of Ulster was extravagant, but if it was put forward in relation to a measure the principles of which were accepted, it would demand careful consideration. He hoped that if the Bill was rejected a conference would be held at which there would be a settlement by consent. In such a case Ulster would view Home Rule in quite a different light, and any solution which might be arrived at would be welcomed generally.

Another Liberal, Lord Weardale:

He had been familiar with three different Home Rule Bills, and each of them was declared by its author to be a perfect measure which it was essential to carry out in its exact form. Every one of them proceeded on a different principle, so that the *ipse dixit* of the Cabinet that this was the only possible Bill to give contentment to Ireland was, in the light of experience, hardly justified. . . . He would vote for it with all his heart—but his contention was that it was capable of improvement, that it ought to be freely considered, and that in due time it might be moulded so as to receive the assent of both parties.

### *Admissions by Unionists.*

NOW for the outstretched hand of the other party, and for some names that are more widely known. The Archbishop of York, who must not be labelled with the name of either party, criticized the Bill, condemned it, voted against it, and alluded with reprobation to the methods by which it was forced through the House of Commons. Yet he said:

I approach this question with a strong bias in favour of some measure of self-government for Ireland. I think there are few of us who can deny that there is a real and urgent Irish problem, or that we are likely to advance towards its solution by merely repeating "We will not have Home Rule." Nor do I think it is sufficient to have a policy, however generous, of promoting the economic welfare of Ireland. I cannot resist much of what was urged with so much eloquence by the noble Viscount on the Woolsack—that some

## The Home Rule Bill

recognition must be found for the persistent and sustained desire of the majority of the Irish people to have some liberty to manage their own affairs in their own way.

The Archbishop went on to emphasize the difficulty created by Ulster "grim, determined and menacing." He argued that statesmen could not shut their eyes to this. But he returned to his earlier theme:

I cannot but share with other noble lords who have spoken the hope—perhaps it would be more true to the facts to say to indulge the dream—that both parties might make an effort to approach this problem with a desire to settle it by conference and by consent. It cannot be ignored. It must be solved. . . . I am certain that many people, even within the ranks of the Opposition, look upon Home Rule now with eyes very different from those with which it was viewed, say, twenty years ago. It would indeed be a misfortune if party divisions prevented all the citizens in this country from looking this problem of Irish self-government fairly in the face, not as something at all costs to be set aside, but as something if possible to be settled, as it ought to be settled, for the common good.

The Archbishop expresses his aspiration. Lord Curzon, a little later, indicates a means:

I happened to be in South Africa when the South African Constitution was drawn up. The circumstances were even more difficult than those of drawing up a Constitution for Ireland, because the two parties were not only separated by great differences of race, religion, and so on, but had been actually engaged in war. How was it done? The four States elected their delegates and sent up their most important men. Those persons met. . . . They met without the embarrassing presence of the Press, and discussed the matter in conclave. . . . They did not approach the matter as antagonists, they approached it as statesmen. Not a single man had a desire to revive old scores or to score off the other party. They wanted to build up a new Constitution in which all should join for the benefit of the country. Something is to be learned from that. . . . If you are building up a new Constitution for a country sundered by great differences, that is the method and those are the lines on which you ought to proceed. But they are not your lines.

The *Westminster Gazette* may suppose that Lord Curzon is about to become a convert to the Bill. Other critics may



## United Kingdom

fear that his object was less to build a golden bridge than to blame the Government for leaving it unbuilt. Lord Curzon is not a conciliatory speaker, and was undoubtedly pleased to flavour his observations with a sharp sauce. But politicians of Lord Curzon's calibre do not use words without reckoning their future consequences. In 1893 he would have died rather than use such language. He meant the meaning of what he said, and the harshest of critics will be the one that asks why he or his colleagues did not say it long ago.

Thus the evidence accumulates of speeches that could not have been made in any previous Home Rule debate, the evidence of a new spirit, and it could be continued. But the pressure of space compels a jump to one speech which has been reserved for the last place, which, for its extraordinary novelty as an utterance on Home Rule, for its contrast with the unvarying platform and Commons speech, and for its statesmanship, requires no comment. The speaker is Lord Grey:

As a convinced Federalist, he was strongly opposed to the Bill. It would not be a stepping-stone to the federation of the British Isles; on the contrary, it would set up a barrier which must be removed before the federal principle could be applied; and for that reason, and because he was convinced that so far from conducing to harmony and peace the Bill would promote discord and civil war he would vote against its being read a second time. It would be a serious misfortune if their lordships allowed the impression to be created that those of them who were opposed to the Bill had no alternative policy. He hoped that a clear and positive message might issue from the Unionist leaders of this House which would convince the people of Ireland that the Unionist party were prepared to assist in some other form of settlement which could be more safely relied on to promote the well-being of Ireland, and to increase the security of the Empire as soon as this Bill was cleared out of the way. . . .

After alluding to the Land Purchase Act and the changes resulting from peasant proprietorship, Lord Grey said:

They were justified in assuming that a well-considered measure conferring upon Irishmen powers of managing their own local and domestic affairs, which would have been nothing less than an agrarian

## The Fate of the Franchise Bill

outrage in 1886, had now become a safe and a moral policy. He would go further and say it was not only a desirable, but a necessary policy.

He ended thus:

If ever there was a time when the necessity of the United Kingdom called for the co-operation and combination of patriotic men, that time would seem to be the present. . . . He would respectfully impress upon their lordships that their first duty to the State was to reject this Bill of evil genesis and pregnant with disastrous consequences, and then, following the example of Canada, Australia, and South Africa, combine together with the object of securing such constituent reforms as appeared most likely to ensure the permanent well-being of the United Kingdom, of the Empire and of all English-speaking peoples.

Lord Grey's peroration expresses the new spirit to which allusion has been made.

### II. THE FATE OF THE FRANCHISE BILL

THE fate of the Franchise Bill throws a curious light on the British Constitution. Two of the main features of that mysterious fabric are generally stated to be the omnipotence of Parliament and the joint responsibility of the cabinet. Here we find Parliament foiled of its desire, and the cabinet proclaiming that it is divided against itself.

The Franchise Bill, which had been promised in the King's speech, was introduced last summer. It proposed to abolish the various existing franchises, with the exception of that by occupation, which is the qualification on which the vast majority of existing electors exercise their votes, to add a residential qualification, to prohibit any voter from voting more than once, and to simplify and shorten the procedure for registration. It was in fact a measure for simplification, rather than for extension, of the franchise. In the words of Mr Harcourt, when moving the second reading, "It was a mistake to talk of this Bill as if it was a



## United Kingdom

great extension of the franchise to new classes of electors." The only new classes, if such they could be called, were male domestic servants and sons living at home with their parents. Its main objects were to shorten the period of residence necessary to qualify a man for the vote, and to abolish plural voting.

The interest which the man in the street took in the matter, however, was largely due to something which did not appear in the Bill at all. About half the members of Parliament were pledged to vote for some form of female suffrage. Unfortunately for the movement these supporters were fairly evenly divided between the various parties in the House, including both front benches. There was no chance, therefore, of its being taken up by either side as a party measure. Further pressure was brought to bear, and in November, 1911, Mr Asquith, himself an opponent of votes for women, promised a suffragist deputation that, if the House of Commons chose to extend the Franchise Bill so as to include women, the Government would make themselves responsible for carrying through the measure as amended. Consequently, when the Bill reached committee, several amendments were put down with the object of extending the franchise, in very varying degrees, to various classes of women.

The beginning of the committee stage was marked by another important development. Fearing apparently that the retention of the occupation, along with the residential, qualification might lead to "faggoting," or the artificial creation of votes, the Government set down an amendment to abolish the occupation franchise altogether and base the whole electorate solely on the qualification of residence.

It is the practice of the House of Commons, which was laid down as well established by Speaker Peel in 1889, that when a bill has been so transformed by amendments in committee as to become substantially a different measure, it is necessary that leave should be given to introduce a new bill and that the second reading stage should be gone



## The Fate of the Franchise Bill

through again, when the general principle of the measure, as distinguished from its component clauses, can be affirmed. Evidently it might well be contended that an amendment abolishing altogether the occupier's vote, which, as already pointed out, is numerically by far the most important franchise at the present time, substantially transformed the Bill. The point was raised by Mr Bonar Law on January 23, but the Speaker declined to give a ruling, on the ground that the proper time for doing so would be when the Bill with amendments left the committee.

Clearly, however, if there was any doubt as to the Government's amendments, that doubt applied equally to the various suffragist amendments, which would add whole new classes of voters to the existing electorate. This point was raised, not by Mr Bonar Law, but by Mr Asquith himself four days later. The Speaker agreed to waive his former objection to giving a decision at that stage, and his ruling is worth quoting *in extenso*:

If the amendments of which notice has been given by the Government, and one or two of the amendments designed to grant Women Suffrage were to be inserted in the Bill, my opinion is that under those circumstances the Bill would be substantially a new Bill. Therefore, in accordance with the practice of the House, it ought to be withdrawn and a fresh Bill ought to be introduced. I may leave aside for the moment as not being immediately pressing the question of the new amendments of which notice has been given by His Majesty's Government. The question I have put to myself and have to answer now is whether, if any of the amendments designed to grant the suffrage to women were admitted, they would make so great a change in the Bill as to constitute it a new Bill. Let me take the amendments *seriatim*. With regard to the amendment to leave out the word "male," I suppose it is intended, as the right hon. gentleman said, to open the door to one or other of the amendments being proposed. If the Bill were amended by leaving out the word "male" and leaving in the word "person," it would not, in my judgment, make the difference intended. I understand that in all franchise Acts the word "person" has always hitherto been held to mean "male person."

To come to the other three amendments, I am told—though I have no means of verifying it myself—that the first amendment, if

## United Kingdom

carried, would admit some eleven millions of women to the vote, that the second amendment would admit some six millions, and that the third amendment would probably admit one million to one million and a half. If that be so—and I am bound to accept those statements from persons who have authority to make them—I have formed the opinion that the admission of any one of those amendments would so alter the Bill as practically to convert it into a new Bill. Under those circumstances, I shall advise the House that the Bill be withdrawn, and that a motion should be made to ask leave to introduce a new Bill. It has been suggested to me that in the Representation of the People Bills of 1867 and 1884, amendments designed for somewhat similar purposes were moved in Committee, and that no exception was taken to them. In regard to that, I would first of all take the technical point—and I admit it is only a technical point—that these amendments were not carried, were not inserted in the Bill, and that the Speaker of that day did not have the opportunity of considering the Bills with the amendments in them. Therefore, there is no strict precedent there. I would, however, take very much broader ground than that. I would say that the Representation of the People Bill, 1832, the Representation of the People Bill, 1867, and the Representation of the People Bill, 1884, were all designed, and purposely designed, to open the franchise to a large class, or many large classes, of the people of this country who, up to that moment, had not had the privilege of the franchise. Those Bills were, I say, purposely designed for that object. The present Bill is not designed with any such object. The present Bill is limited in its scope; the chief object of it is to abolish plural voting, while the secondary object of it is to add rapidity to the system of registration. There are other minor objects and purposes. The effect, it is true, of those provisions may be very considerably to increase the electorate, but, as the right hon. gentleman the President of the Board of Education pointed out very clearly last Thursday night, the Bill did not propose, and did not, in fact, add a new class, nor was it designed to add a new class to the electorate. If one of the Women Suffrage Amendments were to be inserted, it would add to the electorate a very large class, and would establish an entirely new principle. In my judgment, leave to introduce the Bill did not contain that principle, and that principle was not assented to on second reading. Therefore, I am driven to the conclusion that the Bill would, if altered by the insertion of a Women Suffrage amendment, practically constitute a new Bill.

The result was that the Bill was withdrawn. It is probably true to say that the damage sustained by the Government through the loss of one of their principal measures is fairly



## The Fate of the Franchise Bill

balanced by the consequent lightening of their programme and the avoidance of the difficulties with which they would have been faced if they had been called upon, as they probably would have been, to carry through a measure to which half of them had serious objections by means of the Parliament Act.

The constitutional position disclosed is interesting. We have long been taught to believe that the crowning glory of the British Constitution was the fact that it was "unwritten" and consequently elastic. The events of recent years have raised a doubt in many minds whether unwritten custom is a sufficient protection against a powerful and determined executive. Almost the only definite checks on their action are, first, the powers still retained by the Second Chamber under the Parliament Act, and, secondly, the rules and standing orders of the House of Commons. In each case the Speaker is the sole and absolute arbiter, and it is becoming clear that he is the pivot on which the Constitution turns. Three times in less than two years he has been called upon to take a bold stand in defence of that Constitution. The first was when, owing to the introduction of certain extraneous matter in the Budget of 1911, he withheld his certificate that the measure was a "money bill" under the provisions of the Parliament Act, the result being that legally the House of Lords were entitled to amend or reject it. The second was when, last December, the attitude he took up prevented the Government from rescinding by a mere negative an adverse vote on one of the financial resolutions of the Home Rule Bill. The third was the ruling on the Franchise Bill referred to above. On each occasion his decision has been loyally obeyed by the Government. But men change. Speakers and ministers alike are fallible. The Speaker is the servant of the House of Commons, which appoints and can remove him. A new Speaker is chosen as a rule by the party in power from its own ranks, and, though he is generally re-elected as long as he desires to serve, there is no obligation to do so. As the



## United Kingdom

importance of the post increases, the tendency to secure an accommodating occupant for the chair may become harder to resist. How long will a man in such a position under the stress of changed conditions be able to maintain the high traditions of his office for dignity and independence?

London, February, 1913.

# CANADA

## I. THE CANADIAN NAVAL PROPOSALS

SIX weeks ago Mr Borden, Prime Minister of Canada, submitted the naval proposals of the Government to the House of Commons. They were substantially as outlined in *THE ROUND TABLE* for December. As was also expected, Mr Monk, Minister of Public Works, withdrew from the cabinet before Parliament assembled. The correspondence between Mr Monk and the Prime Minister, which was made public only a few days ago, shows that the immediate ground of disagreement was over the refusal of the cabinet to submit the proposals to a plebiscite according to the demand of Quebec Nationalists during the general election. It is understood that the personal relations between Mr Monk and his colleagues were wholly satisfactory, and there is even reason to think that the French leader was impressed by the private memorandum from the Admiralty, and was more or less soundly convinced that action by Canada to strengthen the sea forces of the Empire was desirable. Mr Monk held, however, that he was irrevocably pledged to have a referendum on any naval programme, and so was bound to relieve himself of ministerial responsibility unless a referendum was granted. As Mr Borden definitely refused to consider a referendum the separation was inevitable. Owing to ill-health Mr Monk has been unable to take his seat in Parliament since the session began. Beyond his brief letter to the Prime Minister, therefore, we have had no explanation of his position. It is well understood that he has been urged by

## Canada

the extreme Nationalists to declare general hostility to the Government's programme, and it is conceivable that the naval debate has been prolonged in the hope that this pressure would be effective. As yet, however, he has kept an unbroken silence, and it is doubtful if he will be persuaded to join Mr Bourassa in any general attack upon the ministerial policy.

Briefly the Government proposes to have three super-Dreadnoughts constructed at the cost of Canada and placed under control of the Admiralty, but subject to recall if the Dominion should ever decide to establish a Canadian naval unit. The vessels will be constructed in British shipyards since, in the judgment of the Government, we could not wisely or economically build such vessels in Canada with any equipment now available or likely to be available for a considerable period. Mr Borden contended that the cost would be at least \$12,000,000 greater, or \$47,000,000, as against \$35,000,000, and that serious delay in construction must ensue, while the very urgency of the situation was ample justification of the Government's determination to have the vessels built in Great Britain. Mr Borden said:

No one is more eager than myself for the development of shipbuilding industries in Canada, but we cannot, upon any business or economic considerations, begin with the construction of Dreadnoughts, and especially we cannot do so when these ships are urgently required within two or three years at the outside for rendering aid upon which may depend the Empire's future existence. According to my conception, the effective development of shipbuilding industries in Canada must commence with small beginnings and in a businesslike way. I have discussed the subject with the Admiralty, and they thoroughly realize that it is not to the Empire's advantage that all shipbuilding facilities should be concentrated in the United Kingdom. I am assured, therefore, that the Admiralty are prepared in the early future to give orders for the construction in Canada of small cruisers, oil tank vessels, and auxiliary craft of various kinds. The plant required is relatively small as compared with that which is necessary for Dreadnought battleships, and such an undertaking will have a much more secure and permanent basis from a business standpoint. For the purpose of stimulating so important and necessary an industry



## The Canadian Naval Proposals

we have expressed our willingness to bear a portion of the increased cost for a time at least. I see no reason why all the vessels required in future for our Government service should not be built in Canada, even at some additional cost. In connexion with the development of shipbuilding I would not be surprised to see the establishment of high-class engineering works which will produce articles now imported and not at present manufactured in Canada. Therefore, although the sum which we propose to devote for necessary naval aid at this critical juncture is to be expended in Great Britain, yet we believe that this step will result, under the conditions which I have described, in the very marked development of more than one industry in Canada, and that, even from a purely economic and material standpoint, the step has much to commend it.

Mr Borden dealt at length with the relative strength of European navies, the comparative loss of ascendancy in the world's seas by Great Britain and the necessity for concentration of British naval power in the North Sea. He said the withdrawal of the British flag and the British navy from so many parts of the world for the purpose of concentration in home waters had been necessary, but unfortunate. The British navy was once dominant everywhere, and the white ensign was the token of naval supremacy in all seas. Was it not time that the former conditions should, in some measure, be restored? Upon our own coasts, both Atlantic and Pacific, powerful squadrons were maintained twelve years ago. To-day the flag was not shown on either seaboard. He was assured that the aid which the Government proposed would enable such special arrangements to be consummated that, without courting disaster at home, an effective fleet of battle-ships and cruisers could be established in the Pacific, and a powerful squadron could periodically visit the Canadian Atlantic seaboard and assert once more the naval strength of the Empire along these coasts. He did not forget, however, that it was the general naval supremacy of the Empire which primarily safeguarded the oversea Dominions. New Zealand's battleship was ranged in line with the other British battleships in the North Sea, because New Zealand's interests could best be guarded by protecting the very heart of the Empire.

## Canada

Mr Borden insisted that no modern nation possessing a great seaborne commerce could afford to neglect its interests upon the high seas. There was no fear that Canada would aid or abet any war-like or aggressive tendencies. The British Empire would never undertake any war of aggression, and all the influences in Canada would assuredly be arrayed against any such course; but we knew that war had come many times within the past fifty years without warning, like a thunderbolt from a clear sky, and thereby the power and the influence and the destiny of more than one nation had been profoundly affected. A naval war especially might come with startling suddenness, for these tremendous engines of war were always ready and prepared for battle. The security, indeed the very existence, of the Empire depended on sea power. When we were obliged to abdicate the seas it might even be without war, but, in fact, the overwhelming force of the Empire's arteries would no longer pulsate, the blood would cease to flow in its veins, and dissolution would be at hand.

Mr Borden doubted if Canadians realized the disparity between the naval risks of the British Empire and those of any other nation. The armies of continental Europe numbered their men by the million, not by the thousand. They were highly equipped and organized, the whole population had undergone military training, and any one of the countries was absolutely secure against invasion from Great Britain, which could not send an expeditionary force of more than one hundred and fifty thousand men at the highest estimate. Such a force would be outnumbered by twenty to one by any of the great European Powers. This Empire was not a great military power, and it had based its security in the past, as in the present, almost entirely on the strength of its navy. A crushing defeat upon the high seas would render the British Islands, or any Dominion, subject to invasion by any great military power; loss of such a decisive battle by Great Britain would practically destroy the United Kingdom, shatter the British Empire to its foundation, and change



## The Canadian Naval Proposals

profoundly the destiny of its component parts. The advantages which Great Britain could gain from defeating the naval forces of any other power would be inconsequential, except in so far as the result would ensure the safety of the Empire. On the other hand, there were practically no limits to the ambitions which might be indulged in by other powers if the British navy were once destroyed or disabled. There was, therefore, grave cause for concern when once the naval supremacy of the Empire seemed to be on the point of being successfully challenged.

The Prime Minister pointed out that the naval estimates of the Argentine, whose territory, resources, population and wealth might fairly be compared with those of Canada, for the four years from 1909 to 1912 amounted to \$35,000,000, and that by far the greater portion of this amount was for naval construction. The federal and state expenditures of the United States for this period aggregated a total outlay for armaments of between \$250,000,000 and \$300,000,000, or at the rate of \$2.75 per head. An equal expenditure by Canada would mean an annual outlay of \$20,000,000 or \$25,000,000, or between \$80,000,000 and \$100,000,000 for the four-year period. Mr Borden reminded Parliament that for forty-five years, as a confederation, we had enjoyed the protection of the British navy without the expenditure of a dollar, while, so far as official estimates are available, the expenditure of Great Britain on naval and military defence for the provinces, which now constitute Canada, during the nineteenth century was not less than \$400,000,000. Even since the inception of confederation, and since Canada attained the status of a great Dominion, the amount so expended by Great Britain for the naval and military defence of Canada vastly exceeded the sum which the Government was asking Parliament to appropriate. From 1870 to 1890 the proportionate cost of the North Atlantic squadrons which guarded the Canadian coasts, was from \$125,000,000 to \$150,000,000. From 1853 to 1903 Great Britain's expenditure on military defence in Canada ran closely to \$100,000,000.



## Canada

Mr Borden discussed the difficulty of finding an acceptable basis upon which the Dominions co-operating with the Mother Country could receive and assert an adequate voice in the control and moulding of foreign policy. He explained that the Canadian ministers, while in London, were brought closely into touch with both subjects when they met British ministers in the Committee of Imperial Defence. He outlined the constitution of the committee, examined its system of working and emphasized its efficiency. The committee, he said, was not technically or constitutionally responsible to the House of Commons, and thus it was not supposed to concern itself with policy. But as so many important members of the cabinet were summoned to attend the committee, its conclusions were usually accepted by the cabinet and thus commanded the support of the majority of the House of Commons. While the committee did not control policy in any way and could not undertake to do so, as it was not responsible to Parliament, it was necessarily and constantly obliged to consider foreign policy and foreign relations, for the obvious reason that defence, and especially naval defence, was inseparably connected with such considerations.

Mr Borden explained that he had the assurance of British ministers that, pending a final solution of the question of voice and influence in foreign policy, they would be glad to have a Canadian minister in London during the whole or a portion of each year, who would be regularly summoned to all meetings of the Committee of Imperial Defence and be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such representative of Canada. This meant a very marked advance both from the Canadian standpoint and from that of the United Kingdom. It would give Canada the opportunity of consultation, and therefore an influence which hitherto we had not possessed. The conclusions and declarations of Great Britain in respect of foreign relations could not fail to be strengthened by the

## The Canadian Naval Proposals

knowledge that such consultation and co-operation with the oversea Dominions had become an accomplished fact. Mr Borden concluded a searching, brilliant and powerful speech as follows:

No thoughtful man can fail to realize the very complex and difficult questions that confront those who believe that we must find a basis for permanent co-operation in naval defence and that any such basis must afford the oversea Dominions an adequate voice in the moulding and control of foreign policy. It would have been idle to expect, and indeed we did not expect, to reach in the few weeks at our disposal during the past summer a final solution of that problem, which is not less interesting than difficult, which touches most closely the future destiny of the Empire, and which is fraught with even graver significance for the British Islands than for Canada. But I conceive that its solution is not impossible, and however difficult the task may be it is not the part of wisdom or statesmanship to evade it. So we invite the statesmen of Great Britain to study with us this real problem of Imperial existence. The next ten or twenty years will be pregnant with great results for this Empire, and it is of infinite importance that questions of purely domestic concern, however urgent, shall not prevent any of us from rising "to the height of this great argument." But to-day, while the clouds are heavy and we hear the booming of distant thunder and see lightning flashes above the horizon, we cannot and will not wait and deliberate until the impending storm shall have burst upon us in fury and with disaster. Almost unaided, the Motherland, not for herself alone, but for us as well, is sustaining the burden of a vital Imperial duty and confronting an overmastering necessity of national existence. Bringing the best assistance we may in the urgency of the moment we come thus to her aid in token of our determination to protect and ensure the safety and integrity of this Empire and our resolve to defend on sea as well as on land our flag, our honour, and our heritage.

It is admitted that Mr Borden has made no greater speech in the course of his public career. This is the unanimous feeling of Parliament and the common judgment of the country. Indeed, through the negotiations with British ministers, and the elaboration and presentation of the naval proposals, Mr Borden has become a far more commanding figure in Canada and throughout the Empire. His speech was as distinguished for its reserve as for its courage. He



## Canada

excited no irritation in Parliament nor roused any prejudices in the constituencies. He discharged a great duty with moderation, discretion and dignity, with a profound sense of the gravity and complexity of Imperial relations, and with adequate consciousness of the depth and breadth of Canadian national feeling. There was much enthusiasm when he closed, and a common and tumultuous expression of Imperial feeling alike among Conservatives and Liberals. As great in its way was the speech of Sir Wilfrid Laurier, while a third address of great range and power was delivered by Mr Foster in general support of the Government's proposals and in general criticism of the alternative naval policy submitted by the Opposition.

The Liberal proposals go far in advance of those adopted by the Laurier administration. This is to state a fact, not to suggest a gibe or a rebuke. Public opinion has developed. We have a sounder knowledge of the naval problem. The masses of Canada have a clearer conception of their relation to the Empire and their obligation to strengthen its power on the seas and enhance its general security. The position is easier for Conservative ministers because of what was done by the previous administration, and they are comparatively immune from a species of rancorous and unintelligent attack which fell upon Sir Wilfrid Laurier and his associates.

In office the Liberal party provided for four light cruisers and six destroyers. The proposals now advanced by Sir Wilfrid Laurier embrace two Dreadnoughts, six light cruisers, twelve destroyers and six submarines. These the Oppositionists would divide into units for the Atlantic and Pacific, and they would have all the vessels constructed in Canada, manned by Canadian seamen and maintained at the sole cost of the Canadian Treasury. Whether immediately practicable or not the policy commands respect and involves an obligation upon Canada probably in excess of that which will be entailed by the Borden programme. Naturally there are attacks upon the sincerity of the Opposition, and more



## The Canadian Naval Proposals

or less effective comparison of the newer proposals with the less adequate measures of the Liberal leaders while they were in office. But much of this is the common chaff of partisan controversy, and probably does not greatly affect the country.

The Liberal leaders deny that any "emergency" exists. They contend that there is nothing in the memorandum of the Admiralty that was not disclosed during the last Imperial conference. They ignore or evade the statement of the Admiralty that:

The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada could give would be most effective, we have no hesitation in answering, after a prolonged consideration of all the circumstances, that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

In this connexion Sir Wilfrid Laurier said:

There is no emergency. There is no immediate danger, there is no prospective danger—no, I will not use that expression—I will not say if Britain were in danger—but simply if Britain were on trial, with one or two or more of the great powers of Europe, Mr Borden must come down and ask not \$35,000,000, but twice, three times, four times \$35,000,000. We would put at the disposal of England all the resources of Canada; there would not be a single dissenting voice!

As an expression of devotion to the Empire the speech of Sir Wilfrid Laurier was singularly eloquent, impressive and inspiring. He repudiated the Monroe Doctrine as a refuge for Canada with unexpected force and vigour and in language more direct and emphatic than Canadian statesmen generally employ. He said:

We have to take our share in the defence not only of our native shores, but of the Empire as a whole, as we can defend ourselves only by the assistance of the Mother Country. In our humble judgment the remedy is this: that wherever in the distant seas, or in the distant countries, Australia, Canada, or elsewhere, a British ship

## Canada

has been removed to allow of concentration in European waters, if it must take place, wherever such a British ship is removed, that ship should be replaced by a ship built, equipped, manned and maintained by the country concerned. If the young nations of the Empire take hold of the equipment and manning of ships to look after the distant seas, concentration can easily take place in the waters of Europe, and the British Admiralty knows what zones she has to defend. This is the Australian policy, this would be the Canadian policy, this ought to be the Canadian policy.

Sir Wilfrid Laurier insisted that a more profound impression would be made in Europe if instead of a money contribution "the nations of Europe were to see the young daughters of the Empire, the young nations scattered over the whole Empire, building fleets of their own, to use the language of the resolution of 1909: 'In co-operation with and in close relation to the Imperial navy along the lines suggested by the Admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.' " The Liberal leader declared once and for all, for his party and for himself, that separation from Great Britain would be "a folly and a crime." But in one of his sentences there is a suggestion of the old doctrine of "colonial neutrality." He admitted that if England was at war Canada would be at war. "The thought of being neutral would be like the command of King Canute to the sea to recede from his feet. No action of ours could bring that about; when England is at war we are at war, but it does not follow that because we are at war we are actually in the conflict." He pointed out that we were not in the war with Turkey, in the war of the Crimea, in the expedition to Abyssinia or in the war in the Sudan. "Is it not a fact that our forces can go to war only by the action of this Parliament? You may give it now or any time if you choose, but no one in this country will claim that we can go to war except by the will of Parliament or by the force of circumstances." He held that it would be difficult for Canada to have an effective voice in peace or war. If we were



## The Canadian Naval Proposals

to have a representative in London to confer with the Foreign Minister, Australia, New Zealand, South Africa and Newfoundland must also have such representatives in London, and he doubted if the Foreign Minister would receive much assistance from such a multiplicity of advisers. If there was disagreement would there be dictation or submission? He added:

The Crown is the great bond, it is the cement which binds together the scattered continents over the whole world. The Crown is a purely sentimental bond, but that bond, though purely sentimental, has proven itself stronger than armies and navies, and has shown itself to be equal to all occasions. I do not believe the Empire is in danger; I do not believe it can be cemented by the means suggested by my right honourable friend. I believe the relations of the different parts of the Empire to the Mother Country are not perfect or that essentially they are perfectible. You can discuss problems of improvement; there is no reason to discuss problems of existence.

The debate in Parliament has been prolonged. Not even yet have the Commons divided on Mr Borden's proposals. In the Liberal press there has been much angry writing and a manifest determination to commit the Government to a continuous system of contributions as against the ultimate organization of a national navy. In his speech, however, Mr Borden said:

In presenting our proposals it must be borne in mind that we are not undertaking or beginning a system of regular and periodical contributions. I agree with the resolution of this House in 1909 that the payment of such contributions would not be the most satisfactory solution of the question of defence. But upon the information which I have disclosed to the House the situation is, in my opinion, sufficiently grave to demand immediate action.

There is, however, a passage in the speech which excites the apprehension of extreme autonomists. The Prime Minister said:

Without intending or desiring to indulge in controversial discussion, I may be permitted to allude to British naval organization. Obviously one could not make a very complete or thorough study



## Canada

of so great an organization in a few weeks or even a few months, but during recent years, and especially during the past summer, I have had occasion to learn something of its methods, its character, and its efficiency, and I have good reason to conclude that it is undoubtedly the most thorough and effective in the world. There have been proposals, to which I shall no more than allude, that we should build up a great naval organization in Canada. In my humble opinion nothing of an effective character could be built up in this country within a quarter or, perhaps, half a century. Even then it would be but a poor and weak substitute for that splendid organization which the Empire already possesses, and which has been evolved and built up by centuries of the most searching experience and the highest endeavour. Is there really any need that we should undertake the hazardous and costly experiment of building up a naval organization especially restricted to Canada when upon just and self-respecting terms we can take such part as we desire in naval defence through the existing naval organization of the Empire, and in that way can fully and effectively avail ourselves of the men and the resources at the command of Canada?

Only Mr Borden himself has the right to interpret the deeper meaning of these sentences. But it would be rash to conclude that the Government has determined against the ultimate organization of a Canadian navy. Generally Conservative speakers in the debate have emphasized the declaration of Mr Borden that the emergency proposals are not to be understood as the beginning of a system of regular and periodical contributions. It is manifest, however, that Mr Borden is impressed by the advantages of concentration for sea defence and the necessity for common direction of the fleets of the Empire. Probably he contemplates a re-organization of the Empire, a closer co-operation between the Mother Country and the Dominions in foreign policy, and a greater fusion of the national feeling of the oversea portions of the Empire in the common Imperial sentiment. This, however, is to look into the future and to anticipate conditions which may or may not develop. The *Toronto Globe*, the most influential Liberal journal in the Dominion, denounces the emergency proposals as an exaction of "tribute" from Canada, resurrects the spectre of Downing

## The Canadian Naval Proposals

Street, and sees only humiliation for the country in proposals which give vessels but withhold Canadian seamen from the service of the Empire. This is the language of the Liberal press generally, and of many Liberal speakers in Parliament. Conservatives answer that the design is to meet an emergency, that, with the high wages prevailing in Canada, it is difficult, if not impossible, to obtain naval recruits, that the provision for constructing minor war vessels in the Dominion ensures the establishment of local shipbuilding industries, that years must elapse before an effective Canadian navy can be created, that in the meantime the Dominion, save by the policy to which the Government has committed itself, cannot be a material factor in the defence of the common Empire, and that there can be neither tribute nor Imperial compulsion in any proposal which is submitted by the Government of Canada to the sovereign Parliament of its people.

In various Liberal journals it is suggested that the Opposition should continue the debate until the Government is forced to dissolve Parliament and appeal to the constituencies, or, failing the success of obstructive measures in the Commons, that the naval proposals should be rejected by the Liberal majority of the Senate. There is, however, no prospect that obstruction in the Commons can succeed, nor is it likely that the Senate will go the length of rejection. In any event the Government will not dissolve Parliament. Mr Borden contends that he is under no pledge to submit emergency naval proposals to the people. He insists that he is acting in strict conformity with his course in Opposition. He admits his obligation to take the judgment of the country on a permanent naval programme, and declares unequivocally that this obligation will be respected. It is doubtful if the country is affected by the argument that the emergency proposals involve tribute or infringe upon Canadian autonomy, and it is certain that the people are not impressed by the contention of some Conservative newspapers that to establish a Canadian navy is a dangerous



## Canada

preparation for political independence. The farmers' organizations of Ontario and of the western provinces have joined with the extreme Nationalists of Quebec in denouncing naval appropriations and in demanding a plebiscite, but it cannot be doubted that however opinion may be divided between the proposals of the Government and those of the Opposition the overwhelming feeling of the country favours some speedy and adequate action by Parliament to strengthen the sea defences of Canada and the Empire, and there is probably some impatience and some resentment over the resistance which has been offered to Mr Borden's proposals and the more extreme criticisms to which these proposals have been subjected.

### II. WESTERN VIEWS OF THE PANAMA CANAL

IN common with the Pacific ports of the United States, the trading centres of British Columbia look for a large increase in commerce by this short route between the oceans. Before the transcontinental railways were built, a considerable trade was maintained by way of Cape Horn. Even yet sailing vessels loading with lumber for Europe may usually be found in the port of Vancouver. It is calculated that on the shorter run to Europe through the Panama Canal, the export grain crop of Alberta, and part of the produce of western Saskatchewan, together with British Columbian exports, will go to Europe by way of the Pacific ports rather than by the longer rail haul and shorter ocean journey by Montreal or St John. In winter, when the Great Lakes and canals are closed, and the whole journey from the prairie to the Canadian winter port is made by rail, the Pacific route will have a greater advantage. This aspect of the matter has been well put by the Hon. Wallace Nesbitt, K.C.:



## Western Views of the Panama Canal

To Canadians, although engaged at the moment to the last ounce of their energy in developing their own country, it seems to me that the canal is fraught with the greatest possibilities. I am assuming, I believe rightly, that the suggestion that has been made that wheat cannot be shipped from Vancouver to Liverpool, *via* the Panama, because of its necessary passage through a tropical climate, is not correct, but that the shipment of wheat is quite feasible. The Canal will mean, from Moosejaw west, practically a saving of from 12 cents to 15 cents a bushel on wheat. We have only about one-tenth of the land capable of wheat-raising now under cultivation. . . . Suppose the advantage from the Canal is 10 cents a bushel, and that there is an average of fifteen bushels to the acre. It means \$1.50 per acre per annum for every acre under cultivation. It means such an impetus given to the Canadian wheatfields that the railways will be far more than recompensed for any loss they may sustain in the carriage of grain by the small package freight and by the increase of earnings by density of population.

The commercial arrangements recently made between Canada and the British West Indies will probably encourage a direct trade between western Canada and these islands by way of the Canal. Western Canada now obtains its semi-tropical supplies mainly from California. It may be found, however, that the larger part of the Canadian trade through the Canal will be the exchange of produce between Atlantic and Pacific ports.

Nowhere has the course of the Panama Canal Bill in the United States Congress been followed with more concern than in British Columbia. British Columbia, and Canada as a whole, would suffer materially from any discrimination, especially against Canadian vessels in the coasting trade. Canadians are the only people who, in competing with American ships for the trade to American ports, are not seriously handicapped by the additional length of voyage. When the Canal is completed, competition between ships from New York to San Francisco and ships from Montreal to the same port may be expected. The result of exempting American coasting vessels from canal tolls may make it cheaper to ship goods by rail to New York and thence in an American exempted vessel to San Francisco, than to ship

## Canada

them from Montreal to the same port in a Canadian vessel. And the discrimination may stand in the way even of Canadian vessels trading between Canadian ports, since, if the tolls are heavy, it may pay, instead of shipping in a Canadian vessel from Montreal to Vancouver direct, to ship by rail in bond to Boston or New York, thence by an American exempted vessel to Seattle, and then again by rail to Vancouver. That competition between American coastwise ships and Canadian ships does and will exist has been admitted by Senator Lodge himself. At page 11094 of the *Congressional Record* he is reported as saying:

It (i.e. the exemption of American coastwise vessels from tolls) would be a discrimination against the Canadian traffic, which is at the bottom of the whole difficulty that has been raised, through the Canal from one Canadian port to another. You give the advantage to the American coasting trade, which can take at Portland or Boston or any near point to the Canadian frontier, through goods, sent under bond, and carry them through the canal and land them at a point on our western coast, where they can again go under bond to Vancouver; and thereby the American coasting trade is at once given, by being free of tolls, an advantage as against the Canadian trade. That is the bottom of all this trouble.

While the argument which Sir Edward Grey presented in his dispatch to the United States seems to cover the rest of the ground well, it is thought here defective in its treatment of the coasting trade. President Taft claimed that no grievance could arise from the exemption of coasting ships since the coasting trade of the United States was a national monopoly. Sir Edward's reply, showing that exemption of this traffic would involve higher tolls for sea-going ships, and that the coasting transit might be part of the longer competitive transport to a foreign country, was to the point. He should have shown, however, that the assertion that American vessels have the monopoly of coasting trade through the Canal is not well founded. In reality, all the traffic between eastern and western Canada through the Panama Canal is as much coasting trade as that between the Atlantic and

## Western Views of the Panama Canal

Pacific States of the Union. In each case the trade is between ports of the same country, past the coasts of foreign countries, e.g. Mexico and Central American States. There is no distinction between coasting and sea-going trade in the Treaty. If discrimination in trans-oceanic trade would be a violation of the Treaty, so would discrimination between the United States and Canada in the tolls on coasting trade.

Canada, January, 1913.



# AUSTRALIA

## I. FINANCE

**I**N common with the rest of the world, Australia is at present going through a period of financial stringency, and, equally in common with the rest of the world, she is being informed that the tightness of the money market, the increased and increasing rates of interest or discount charged for accommodation, the requirement on the part of the banks for reduction of overdrafts, and many other signs of stringency are all due to some purely local political or financial cause. Extravagant Government expenditure, excessive State borrowing, injudicious labour legislation and other similar causes are advanced with a greater or less degree of plausibility to account wholly for the stringency, without recognition of the fact that for some years there has been the world over an upward tendency in the rate of interest, due to the unparalleled development of material interests in practically all countries, and the consequent demand for capital to finance the movement. Unquestionably, local influences have an important effect on the financial position, whether local or general, but to attribute the higher rates of interest which Australian Governments are now required to pay for accommodation to excessive Government expenditure or excessive State borrowing, or both, and to ignore the fact that a similar increase in rate of interest and consequent fall in the price of stocks have been world-wide, tends to discount the good effect of the lesson which it is intended to teach. The tendency for the

## Finance

rate of interest to increase is common to all countries, but is in each modified by local circumstances and conditions.

In Australia, governments which were able to obtain  $3\frac{1}{2}$  per cent loans at or about par, now find that not less than 4 per cent must be paid for similar accommodation, and that even then the requisite funds are not readily obtainable. The rate of interest charged on loans on mortgage has also recently advanced, and mortgage loans on which  $4\frac{1}{2}$  per cent was formerly considered a generous rate are now not obtainable for less than 5 or  $5\frac{1}{2}$  or even 6 per cent.

One of the reasons advanced in Australia for the existing stringency has been the effect produced on commercial enterprise by the legislation which has been passed by the Federal Parliament at the instance of the present Labour Government, resulting in a withdrawal of capital. If there has in recent years been any marked net withdrawal of capital from Australia, the evidence of it must be obtainable from the Trade Returns. The evidence so furnished, however, is that during the past five years the excess of exports over imports has almost continuously declined from £25,000,000 in 1906 to £12,500,000 in 1911, a decrease of 50%, and these changes have taken place without any increase during the period in Australian public indebtedness to London. The explanation probably is that in certain cases outside capitalists have withdrawn their interests in Australian ventures, but that such withdrawals, although made the subject of comment at the moment, have been relatively so slight as not to affect the general trend. It is very generally admitted that during the same period the inflow of capital has also been slight.

Another reason which is very extensively put forward as a reason for the financial stringency is the introduction of a form of Federal paper currency. Before the beginning of July, 1911, the paper currency of all the States except Queensland consisted of notes of various denominations from £1 upwards issued by the banking companies operating

## Australia

in the several States. The issue of these notes was unrestricted, the note-holders being safeguarded by the fact that a note was payable on demand and was constituted a first charge on the assets of the issuing bank. In Queensland the issue of banknotes was abolished in 1893, a system of Treasury note issues being substituted therefor. Under the Australian Notes Act, 1910, and the Bank Notes Tax Act, 1910, the Federal Government has been granted a monopoly in note issue. According to the latest returns available, the Federal notes appear to have been taken up by the public to practically the same extent as the bank and Queensland Treasury notes were formerly employed, while the circulation of banknotes which in the June quarter of 1911 totalled £3,700,000, had by the succeeding June quarter fallen to £590,000. The notes issued by the banks under the old regime were subject to a tax of 2 per cent per annum on the average circulation. Their abolition consequently meant a loss to the State revenues of upwards of £70,000 per annum, while the prohibition in the case of Queensland meant the loss of a loan without interest which had previously been enjoyed by that State.

It has been widely contended that the abolition of banknotes has restricted the banks' resources to such an extent as to be mainly responsible for the existing stringency, but the contention can only be characterized as an extravagant statement with a distinctly political colouring. The aggregate amount of banknotes in the hands of the public before the 1910 Act did not amount to £3,800,000, and against this the banks held gold which may be estimated at about 50 per cent, say £1,900,000, so that the diminution in loanable capital brought about by the abolition could not amount to as much as £2,000,000.

An examination of the total advances and investments of the banks for the past five years indicates that up till the June quarter of the present year there had been no diminution of the business done; but, on the contrary, a marked development in the last two years. Thus, for the June



## Finance

quarter of the years 1908 to 1912 the average amount of bank advances and investments was as follows:

1908	. . . . .	£100,844,019
1909	. . . . .	97,692,800
1910	. . . . .	100,611,111
1911	. . . . .	112,766,491
1912	. . . . .	123,760,625

Similarly, bank deposits which in 1908 totalled £113,694,388 amounted in 1912 to £149,806,597.

As far as can readily be seen, the main effects of the federal issue have been:

(a) To deprive the banks of a certain amount of profit from the issue of notes (approximately £45,000 per annum).

(b) To deprive the States of a certain amount of revenue (approximately £70,000 per annum).

(c) To place a large amount of trust funds at the disposal of the Commonwealth Government (approximately £7,000,000).

(d) To reduce the loanable capital of the banks by somewhat less than £2,000,000.

(e) To render the bank reserves less elastic than formerly, and consequently to require larger holdings of coin or equivalent.

The Commonwealth Treasury is required to hold in gold not less than 25 per cent of the total amount of notes outstanding. Up to the present the gold reserve has always been much in excess of this proportion. The balance has been applied in loans to the various State Governments and advances to the Commonwealth Government.

In the case of the Commonwealth, as well as in that of each of its component States the financial year ends on June 30, and the Treasurers' statements for the past year

## Australia

and budgets for the new year are usually presented to the several Parliaments during the four months thereafter. In all cases the statements for 1911-12 and the budgets for 1912-13 were well up to time, the earliest, those of the Commonwealth, being presented on August 1, the latest, those of the State of New South Wales, on October 22.

Owing to the fact that in all cases certain business enterprises are carried on by the Governments and the total receipts therefrom are usually carried to the revenue account, the revenue per head of population in Australia appears high when compared with that of some other countries. Thus all State revenues include the total amounts received from State railways and tramways and certain other public works, whilst the Commonwealth revenue includes the total amount received by the Postmaster-General's Department. In the financial statements issued by the New South Wales Treasury a useful division is made of revenue into (1) Governmental and (2) business undertakings, and of expenditure into (1) Governmental, (2) business undertakings, and (3) reduction of public debt, etc. A similar division by the Treasuries of the Commonwealth and the other States would add greatly to the value of the statements.

A warning is necessary in dealing with the aggregate revenue or expenditure results for Commonwealth and States, viz., that the total revenues usually published for the States include amounts received as subsidy from the Commonwealth Government, which, having collected the money, naturally also includes it in its own revenue returns. A further item which requires to be specially considered is that of State loan expenditure, which for the year 1911-12 amounted to about £16,000,000, by far the largest loan expenditure for the last ten years. This expenditure entailed new borrowings of about £11,600,000, the remainder being derived from loan balances in hand.

The necessity for these cautions is shown by the fact that at the half-yearly meeting of one of the leading local banks

## Finance

the chairman, himself a prominent member of the House of Representatives, is credited with having made the somewhat remarkable statement that whilst the total production of wealth in Australia from all sources would probably reach only £168,000,000, the Governments would take out of that nearly £70,000,000. How this last figure has been arrived at is not clear, but in view of the facts (*a*) that the Commonwealth collections of revenue amounted to £20,500,000, (*b*) that the aggregate of the State revenues, inclusive of a Commonwealth subsidy of £5,800,000, amounted to £41,200,000, and (*c*) that the net State borrowing for the year totalled £11,600,000, it would appear not improbable that (*a*), (*b*), and (*c*) were added together to make a banker's holiday.

Of the sum so obtained it is clear that the borrowing should not be taken into account as a charge on the year's production, and, further, that the Commonwealth subsidy to the States (£5,800,000) should be deducted, thus reducing the total to £55,900,000. Even then the statement does not fairly represent the position, since of this amount no less a sum than £20,700,000 was revenue derived from State railways and tramways, £3,900,000 was revenue from post, telegraph and telephone services, and a further sum of £3,900,000 was revenue received by the States for land sales and rentals. In addition, there are the revenues derived from such important public services as harbours, water supply and sewerage, public abattoirs and others, which, together would account for a total little short of £3,000,000.

On the other hand, the statement that the total production of wealth in Australia for the year would amount only to £168,000,000 appears to be untenable. Taking only the wealth produced in the primary and manufacturing industries, it appears probable that about £180,000,000 will be produced, and it would seem that the speaker had these industries only in his mind, to the exclusion of the important services rendered by the transport and distributing



## Australia

agencies and the building trade. As a matter of fact, the revenues collected by the State Railway Departments are not so much charges on the production of wealth for the year as that portion of wealth added by transport to which the carrying agent is entitled. But there is in Australia, as elsewhere, a tendency to ignore the fact that in production of wealth all that human agency can do is to move things, and that the man who causes a plough to move the soil for the purpose of forming a seed-bed, or causes a harvester to be moved through a standing crop is no whit more entitled in ultimate analysis to be called a producer than a State which moves the bagged grain over its railway lines or the baker's carter who moves the loaves from the bakehouse to the consumer. As far as the consumer is concerned, all who have been instrumental in producing for him the goods he requires in the place and at the time at which he requires them, are producers, and the true measure of the production of wealth cannot be obtained as the material leaves the farm or the factory, but as it enters into consumption. Such an estimate is under present conditions impracticable, but there is little question that it would exceed by a very great deal the sum quoted above. Even then the whole of the reckoning would not have been made. The figures quoted appear, as stated above, to relate to primary and manufacturing industries only. There is, however, no reason except that of the difficulty of collecting the *data* why the clothes which a man wears should be included in the wealth produced and the house in which he lives be excluded. Similarly, there is no reason except the difficulty of collecting the *data* why the production of wealth should not include the construction of roads, railways, tramways, reservoirs, irrigation channels, fencing, clearing and all the many operations included under the comprehensive head of "improvements." As a matter of fact, the portion of the total production of wealth which is fairly amenable to calculation is probably not more than two-thirds of the true total, and its use in the manner quoted is to be deprecated.

## Finance

A more legitimate test of governmental influence may be obtained by comparing with the total annual production the total amount of taxation imposed by the Commonwealth, State and Municipal Governments.

For the year 1911-12 these figures were as follows:

Tax.	Amount.	Per head of popula- tion.
Commonwealth taxation:	£	£ s. d.
Customs . . . . .	12,071,514	2 12 10
Excise . . . . .	2,638,685	11 6
Land Tax . . . . .	1,366,454	6 0
State taxation . . . . .	5,132,483	1 2 6
Municipal taxation (approx.) . . .	3,500,000	15 4
Total . . . . .	24,709,136	5 8 2

The State taxation comprises probate and succession duties, stamp duty, land tax, income tax, dividend tax, ability tax, licences and totalizator tax, while the principal form of Municipal taxation is a general rate on real property, levied in some cases on the unimproved capital value and in others on the improved annual value.

As previously noted, an accurate estimate of the total production of wealth for any year is at present unobtainable, but it appears probable that for the present year a total of £270,000,000 might be taken as a rough approximation. On this basis the levy made by Federal, State and Local Government authorities represents approximately 9½ per cent., or, say, 1s. 10d. in the £ on the annual production, a sufficiently heavy charge when all the circumstances are taken into account.

A feature which is not reassuring is the fact that the taxation is increasing not only in total amount, but also in

## Australia

amount per head of population, and whilst for the year 1906-7 the aggregate taxation was approximately £17,000,000 and the amount per head of population £4 2s. 8d., by 1911-12 the total had increased to £24,700,000 and the amount per head of population to £5 8s. 2d. Overflowing treasuries are usually conducive to extravagance, and money not actually required for the government of the country is usually more profitably employed by the taxpayer than by the Government. In this connexion two Federal items are open to serious objection, viz., the Federal land tax on the revenue side and the maternity bonus on the expenditure side. The former, which was introduced mainly with the object of "bursting up" large estates, realized in 1911-12 a revenue of £1,366,454, and the latter, which came into force in September, 1912, and which provides for a bonus of £5 to be payable in each case of maternity, irrespective of the needs of the recipients, will entail an annual expenditure of £500,000 to £600,000. Without the overflowing Treasury caused by the former, it is extremely doubtful whether the latter would have materialized. Neither can be regarded as urgently needed at the present time.

### II. FEDERAL LEGISLATION

AS we approach the end of the third session of the Parliament of the Commonwealth all political action within or without Parliament is increasingly directed towards the general election and the referendum to be held before the middle of 1913, and all political events are judged by the influence they may be expected to have upon the electorate.

In November the Government, in pursuance of its declared purpose, re-introduced the constitutional amendments rejected by the electors in 1911, with a view to their sub-



## Federal Legislation

mission at the next general election. The first important difference between the last and the present proposals is that instead of being contained in one bill, so that all must be accepted or rejected together, they are now contained in six separate bills, dealing respectively with corporations, industrial disputes, trade and commerce, disputes on State railways, trusts and combines, and nationalization of monopolies. The only notable alterations in the schemes themselves are three, and are designed to mitigate the opposition of the State Governments, viz., the exemption of municipal and governmental corporations from the extension of the corporation power; the exemption of trade and commerce on the State railways from the extended trade and commerce power; and the exemption of business or industries carried on by a State from the power to nationalize monopolies. On the other hand, disputes with employees on the railways are expressly included. For the rest, the powers to be taken do not differ from those rejected in 1911, save that the power over labour and employment appears to be rather wider than in the earlier scheme.

The debate has been carried on under the limitations of the new Standing Orders adopted this session, which limit speeches to sixty-five minutes, a limitation which caused a good deal of inconvenience to the Attorney-General in introducing the scheme to the House. Members have not yet learnt to adjust themselves to the time limit, and there are some very abrupt endings to speeches. Debate has proceeded on lines that are already familiar, and can be better considered when the extra-parliamentary campaign opens. It may be conjectured, however, that the electors will not dissociate the alterations of the Constitution from the Government that proposes them; if they are "for" the Government they will vote "aye" to the amendments; if they are "against," they will vote "no." The referendum, at any rate when taken at a general election upon a question which is the subject of a party contest, does not fulfil that expectation of a detached issue which its supporters claim.

## Australia

There is one feature of the situation which has some significance in relation to larger issues. In the campaign of 1911 much was made of the possibility of effecting by co-operative action amongst the States all that was really necessary in the way of enlarging Commonwealth power. The failure of the several attempts to agree upon any scheme of co-operation affords another instance of the weakness of this mode of dealing with problems of common concern.

The campaign against "monopolies" has had two very important developments. The sugar industry in Australia is closely connected with the "White Australia" policy, and is supported by a system of customs, excise duty and bounty which represents a protection of about one million sterling per annum. The industry has been a peculiar subject of interest to the Labour Party owing to the commanding position held by the Colonial Sugar Refinery Company, and the report of a Royal Commission appointed to investigate conditions was eagerly awaited as likely to furnish material in support of nationalization or other means of combating trusts. The Commission's inquiry was interrupted by lengthy proceedings in the Police Court against recalcitrant witnesses and by proceedings in the High Court leading up to an injunction and some very important constitutional rulings in a divided Court. The report of the Commission states that the dominant position of the company enables it to control the price paid to the grower, and, in the absence of effective competition, it is recommended that the price to be paid to the grower should be fixed by law on a sliding scale whereby it would follow the movements in the selling price of refined sugar. The labour employed by the grower should be protected by means similar to those familiar in other industries. As to the industry itself, the Commission emphasizes its importance to Australia, but recommends that the existing mode of protection should be altered so as to substitute a customs duty for the combined duty and bounty; while the interest of the consumer is to be safeguarded by making the duty fluctuate with fluctuations



## Federal Legislation

in the world's price for sugar. The Commission declares on various grounds against the nationalization of the industry, whether as a government monopoly or through government competition.

The other case of alleged "monopoly" was raised by the prosecution of the Coal Vend and the shipping companies under the "Anti-Trust Act," i.e. the Australian Industries Preservation Act. Some forty defendants—the principal colliery proprietors in the Newcastle and Maitland districts of New South Wales, and the principal Australian shipping companies—were convicted, after a seventy-three days' hearing, in a penal action before Mr Justice Isaacs, of various offences under the Act, the substance of which was combination with intent to restrain trade to the detriment of the public and to establish a monopoly.

Two agreements had been made. The first was amongst the defendant coal-owners in view of the disastrous effects of unlimited competition and the necessity for fixing a definite basis for the hewing rate. Under this agreement, a board was to apportion amongst the members of the Vend their respective shares of the supply of coal required, and to fix the price of sale. Any member of the Vend who sold coal in excess of his proportion was to pay a contribution to a common fund for the compensation of those whose sales fell below their share. The second agreement was between the Vend and the several shipping companies, whereby the Vend undertook to supply to the companies coal for the trade of four of the States, as the companies should determine by monthly estimates; the shipping companies on their part undertaking not to purchase coal elsewhere or to carry other coal, subject to some limitation. The companies, as "purchasers' agents," were to sell at a price not exceeding certain scheduled prices fixed in relation to the Vend's sale price, the object of this provision being to prevent the raising of the price to such an extent as to bring in other competitors; and following the analogy of "agency" any excess price obtained was to be accounted



## Australia

for to the Vend. The "detriment to the public," alleged by the prosecution, was the suppression of competition, excessive prices, exclusive dealing, and delays in obtaining delivery; and on these grounds Mr Justice Isaacs found for the Crown, imposed penalties and granted an injunction.

The most important factor in the case was the rise of price from 9s. per ton in 1906 to 11s. per ton, f.o.b., in 1909 and the following years. This Mr Justice Isaacs regarded as unreasonable; the price of 9s. 1d. in 1907 was a highly profitable one then, the rise was out of all proportion to any change in conditions, and could only be attributed to an intent on the part of the defendants to use their combination to compel the public to pay an exorbitant price. On appeal this view was rejected by the High Court. The case for the Crown rested upon an unexplained enhancement of price; but the burden of proof was on the Crown, and the Court could not assume against the defendants that all the factors of cost in production, except the hewing rate, had remained constant. Moreover, the defendants were selling in the foreign market in open competition for the same price and sometimes more than the price fixed for Australia, while there was evidence that, with the existing hewing rate of 4s. 2d., a price of less than 11s. was impossible. There was nothing then to shew that the price was "exorbitant" or such "as to shock the ordinary sense of fairplay." On the question of what constitutes detriment to the public, the Court made some interesting observations. It had been argued that the arrangement, being admittedly in restraint of trade, was necessarily detrimental to the public under the general rule of law which treats agreements in restraint of trade as contrary to public policy. The Court held, however, in favour of the defendants that, in view of modern developments both of the common law and of legislation, the older doctrine against restraint of trade could not be applied in its vigour—"cut-throat competition is not now regarded by a large portion of mankind as necessarily beneficial to the

## Federal Legislation

public"—a truth of which the Trade Union Acts and the Wages Boards Acts were evidence. Even if the effect of the agreements was to raise prices, there were other interests than those of the consumer to be considered—the interests of the employees, which had been closely connected with fixing of prices in the present case; the inducements to capital to invest in an undertaking of a hazardous kind, in which profits were delayed and fluctuating; the welfare of a locality dependent upon an industry of this kind—all these were elements to be considered in determining the question of detriment to the public.

Some of the importance of this case disappears because, in so far as it rests upon the failure of the Crown to sustain a burden of proof, the law has been altered by an Act of 1910 which makes agreements of the kind described in the earlier law an offence unless the defendant establishes absence of unlawful intent and shews that there is no detriment to the public. But the case remains interesting as an attempt on the part of a court of law to correlate the phenomena of intricate economic relations and to determine their social value.

How far a court of law is competent to do this depends less on the legal attainments of its members than on other qualities, of which the most important are sufficient economic study and a comprehensive social outlook. Even with these qualities, where the interpretation called for is one of the broad facts of life and experience, individual sympathies and standpoint will lead different men to very different conclusions. From this point of view, the case stands beside the constitutional and industrial cases as bringing the judicial bench perilously near to the most urgent political problems of the day. Where the class of case is one in which the public feels that the decision depends on whether it comes before A or B, the bench tends to suffer in the respect of a public which is readily taught by politicians to look for bias; encouragement is given to appointments to the bench based on political rather than legal



## Australia

grounds; and even on the bench itself feelings may be stirred which find expression in rhetorical judgments.

The failure of the prosecution in this case is received by the Government with mixed feelings. There is the natural mortification which follows defeat in a strenuous fight, especially one between such willing antagonists as a Labour Government and a capitalist combine; and a defeat in whatever undertaking, if it be sufficiently important to catch the public notice, will always do some harm. On the other hand, Labour leaders can fall back not ineffectively upon the hopelessness of remedies short of nationalization, especially when such remedies were (as in this case) the device of their adversaries; and in this aspect the case will play some part in the referendum campaign.

A good deal of interest was manifested in the Land Ordinance for the Northern Territory, which was described in *THE ROUND TABLE* for June last. The principle of the perpetual lease was attacked in Parliament by the Opposition on the ground that it was not attractive enough in the case of agricultural areas, and was too liberal in the case of pastoral areas. Government supporters objected to the size of the pastoral areas. Members from both sides joined in criticizing the provisions whereby: (*a*) in addition to the re-appraisements at fixed periods of fourteen or twenty-one years, re-appraisal might take place at any time fixed by regulation; (*b*) re-appraisal might be made whenever the administrator considered that the value had been added to by public works; and (*c*) lessees of pastoral lands were required to covenant against overstocking and for fencing. Ministers were reminded that the proper standpoint in approaching the subject was how to attract settlers; the case was not one of guarding territory against a crowd of urgent claimants. In the result, the Ministry withdrew the Ordinance and promulgated another which meets some of the criticisms. In the case of the pastoral land, the perpetual lease is superseded by terminable leases for twenty-one or forty-two years. The maximum areas of the



## Federal Legislation

several classes of land are reduced, in the case of pastoral lands, to 300, 600 and 1,500 square miles, and, in the case of mixed farming and grazing lands, to 38,400 acres; while, in the case of cultivation farms, the maximum area for lands of the first class is raised from 640 to 1,280 acres. The power to make re-appraisement at any time by regulation, or for benefit received from public works, and the covenant against overstocking are eliminated. The unqualified power of resumption for any purpose is, however, retained, subject to the insertion of provisions making clear the right of the lessee to compensation for the unexpired term of his lease.

Australia, December, 1912.

## SOUTH AFRICA

### I

#### THE MINISTERIAL CRISIS

FOR the second time in seven months the ministry which controls the destinies of the Union of South Africa—itsself barely over two and a half years old—has passed through a serious crisis. At the end of the last parliamentary session, that is, in the middle of June, 1912, a quarrel between Mr Hull, the Minister for Finance, and Mr Sauer, the Minister for Railways, caused the withdrawal of the former from the cabinet. In the reconstruction which was made necessary by this dissension Mr Sauer found himself compelled to give up the portfolio of Railways, while Mr Hull was succeeded as Minister for Finance by General Smuts. The Hull-Sauer quarrel, however, had one main result. It added immensely to the importance of the two Free State members of the Cabinet. Mr Fischer took over the portfolio of the Interior from General Smuts, and General Hertzog, who already held the important post of Minister of Justice, which gave him control not only of the whole legal administration of the Union but also of the police and of prisons, became also Minister for Native Affairs. As a result of the crisis of December, 1912, this almost predominant position of the Free State ministers has entirely disappeared. Mr Fischer, it is true, remains a colleague of General Botha and still holds the same offices, those of the Interior and of Lands. But General Hertzog

## The Ministerial Crisis

has gone, and it is to him rather than to Mr Fischer that the Free State has been in the habit of looking for leadership. His two portfolios, Native Affairs and Justice, are now in the hands of Mr Sauer. The Prime Minister again takes control of the Agricultural Department. Sir Thomas Watt replaces Colonel Leuchars as the representative of Natal in the ministry, and has been given the portfolios of Public Works and Posts and Telegraphs. Sir David Graaff remains a member of the ministry but now holds no portfolio. The remaining offices are in the same hands as before. The second Botha ministry, therefore, consists of seven members holding office and of one minister without portfolio.

The crisis itself was brought to a head by the resignation of the Prime Minister, announced, with hardly any previous hint of coming trouble, on the morning of Saturday, December 14. Its causes have been explained in an interview granted by General Hertzog to a weekly journal printed in Pretoria, and by the Prime Minister himself in a statement issued to the public. From the statements of Generals Botha and Hertzog it is possible not only to define with accuracy the question at issue between them, but to forecast with some prospect of success the relations of their respective followings during the coming session. The issue on which the final quarrel took place arose out of a speech made by General Hertzog at De Wildt, a railway siding in the Rustenburg district of the Transvaal. In the course of this speech he defined his attitude on the Imperial issue. When read in conjunction with several other speeches which he had made previously, it showed that, in his opinion, anyone who did not share his views on this issue was unworthy of the name of "Afrikander," should not be allowed to take part in the government of the country, and might be recommended to take a single ticket to some other land where a less strait creed of local patriotism was required.

South Africa should be governed by pure Afrikanders. . . . They



## South Africa

in South Africa had come to realize that they had attained their manhood and were resolved to manage their own affairs. . . . Had they chosen to hearken to certain utterances, they would by now have presented twenty or thirty Dreadnoughts to Great Britain. . . . When the proper time came, South Africa would look after its own interests first and those of the Empire afterwards. All that clamouring for great fleet contributions emanated from a few thousand or hundred thousand people who had axes to grind . . . . The main object was to keep the Dutch and English people separated.

These extracts give some idea of the spirit in which General Hertzog, Minister of Justice for the Union, approached the Imperial issue. They show at the least an inability to appreciate the Imperial sentiment of English-speaking South Africans so complete as to explain the seriousness of the resentment which was felt when the following words, part of the same speech, were read:

The latest little storm had been caused by his assertion, uttered at Nylstroom, that the time had come for the true South African spirit to be at the helm of affairs. He still maintained what he had said on that occasion. The leader of the opposition (Sir Thomas Smartt) had said, that is if he understood him correctly, that this was where he differed from him. He (Sir Thomas) said he was an Imperialist first and a South African afterwards. That proved that he (General Hertzog) was right in saying that Sir Thomas Smartt was not yet a true South African. He (General Hertzog) believed in Imperialism only in so far as it benefited South Africa. Wherever it was at variance with the interests of South Africa he was strongly opposed to it. He was ready to stake his future as a politician on this doctrine. Whatever was at issue, he always in the first place asked whether it was to benefit South Africa or not; and if it would be detrimental to the interests of the country and its people, it was the duty of everybody to have nothing to do with it.

This speech was made the day before the by-election for the seat of Albany, vacant owing to the resignation of Sir Starr Jameson. During this election the Prime Minister had made great efforts to win the seat for the candidate of his party, having made a special journey in order to speak in Grahamstown, the chief town of the constituency. Yet the Unionist candidate won the seat by a majority of 831,

## The Ministerial Crisis

a majority exceeding the total poll of the Nationalist candidate by over 200. There is little doubt that the size of this majority was due, to some extent at least, to the uneasiness caused by General Hertzog's speech at De Wildt, following as it did on many previous speeches of a similar nature. General Botha must have realized that his association with General Hertzog, who appeared to have gone out of his way to traverse his leader's statements, was making it impossible for him to hope for the support of English-speaking South Africans. In any case, he found himself compelled to make his choice. The De Wildt speech convinced Colonel Leuchars, the representative of Natal in the Cabinet, that he could no longer belong to a ministry which contained one member holding such views on the Imperial issue as General Hertzog had expressed. Colonel Leuchars is a blunt man. He declared that the De Wildt speech meant that General Hertzog was prepared "to use the Empire till he had finished with it and then throw it aside like a sucked orange." He insisted on resigning. General Hertzog, as he himself tells us in the interview in which he explained the cause of his expulsion from the ministry, saw Colonel Leuchars and tried to explain to him that he had never meant in what he had said at De Wildt anything more than to assert the principle "that the interests of South Africa should be above those of the Empire in the event of these coming into conflict." Colonel Leuchars refused to accept this explanation and maintained his determination to resign. General Hertzog, to quote again the substance of his own statement, then demanded of his colleagues whether they considered that "the principle put forward by me, namely, that the interests of South Africa came before those of the Empire, was wrong." He received the reply that they agreed with this principle, and then declared that, this being so, there was no difference between them and him, and that he would not resign. In this way the resignation of General Botha, as a means of ridding the Cabinet of General Hertzog, was made necessary.



## South Africa

It is clear from General Hertzog's account of what happened that he was unable to see that there was any difference, on a question of principle, between himself and his late colleagues. The statement issued by the Prime Minister makes this point clear:

General Hertzog has gratuitously and unnecessarily put the question whether the interests of South Africa should take preference over those of the British Empire. This question should not have been put. There is no reason for putting it, nor should any reason therefor arise in the future.

The true interests of South Africa are not, and need not be, in conflict with those of the Empire from which we derive our free constitution. The only effect of speeches such as that made at De Wildt will be to cause doubt as to the real policy of the Government, to create misunderstanding and estrangement between the different sections of South Africa's people, and to undo the great work which has been built up in the last four or five years with so much labour and devotion.

I wish to emphasize that to me the interest of South Africa is supreme, and I believe that this view is almost generally shared by the population of our Union. This, however, does not exclude that I myself and the South African party fully appreciate the Imperial ideal.

Under our free constitution within the Empire, the South African nation can fully develop its local patriotism and national instincts. In these circumstances, it was unpardonable to suggest, as happened at De Wildt, that the Empire is only good so long as it is useful to South Africa.

Moreover, the pointed condemnation by General Hertzog in his speech at De Wildt of the policy of racial conciliation, which the Government defends, has been understood to mean that General Hertzog's policy was different from that of the Prime Minister, and that therefore the Government spoke with two voices. In these circumstances it was impossible for me to continue at the head of the Government, and, as General Hertzog proved to be not prepared to resign, nothing else remained for me but to dissolve the Government by my own resignation.

With Parliament meeting at the end of January, it would be gratuitous to attempt to predict the fortunes of the new ministry. It is, however, evident that the position of the Prime Minister will be embarrassed by certain difficulties which are likely to assert themselves. He will meet Parlia-



## The Ministerial Crisis

ment with three malcontents of prominence sitting on his side of the House. His differences with Mr Merriman have already shown themselves to be acute, but they are discounted by the presence of Mr Sauer on the ministerial bench. Mr Hull and General Hertzog, however, are both ex-ministers, have both been jettisoned by the Prime Minister, and are both likely to assert themselves when the opportunity offers. Mr Hull, it is true, is a man without any political following, and the bitterness which he was known to entertain towards the Prime Minister at the end of last session may have been softened during the recess. General Hertzog is in a different case. He has a following. How strong that following may be no one yet knows. But he has more than this. He has an intense personal conviction of the rightness of his own political views, an almost religious belief that he has been ordained by Providence as the high priest of the national ideals of his own people. The man who is a fanatic, convinced with the unreasoning zeal of the fanatic of his own consecration to the cause which he has espoused, seldom fails to make his influence felt in any assembly of men. In this lies the strength of General Hertzog. But he has much against him. To speak frankly, he is deficient in intellectual ability. His outlook is narrow, his comprehension slow. In humour he is utterly lacking. He has no tact, and the abstruse book of parliamentary strategy is a closed volume to him. He sees, too, his own side of a case so clearly that the brightness of that vision blinds him to the other side. Again, he has in him a strange vein of chivalry, which will hold him back from doing lightly anything which can be represented as likely to harm the cause which is his. And General Botha is still the head of an Afrikaner ministry. The hope of General Hertzog lies in winning the votes of those who sit on the Government side of the House by his claim to be the champion of the "pure Afrikaner." But to realize this hope he must emphasize the breach in the Afrikaner party, and to do this may seem to him to be helping the Unionists, representatives of "foreign adventurers" as they appear to

## South Africa

him to be. And even if he is prepared to sacrifice the unity of the Afrikaner people, thus violating the traditions of all his predecessors in political leadership, he will have to convince the men whose votes he may hope to gain that the ideal is worth the sacrifice of the actual tenure of power. The Dutch-speaking South African is a practical man. Years of political predominance have taught him the value of combination for the realization of his aims. To persuade him to follow any leader into the wilderness of political exile will be an unprecedented feat in the art of political propaganda. It may be doubted whether even General Hertzog is the man to attempt, much less to succeed in, such a task. Yet if he does not make the attempt it is difficult to see how he can retain his influence. Again, the Unionists can hardly support General Hertzog against the Prime Minister. To do so would be to stultify themselves in the eyes of their supporters.

No doubt General Botha and his two lieutenants, Mr Sauer and General Smuts, all of them men immensely superior in intellectual ability to General Hertzog, and all easily his masters in parliamentary tactics, rely on all these factors in favour of the new ministry. The adherence of Mr Fischer to the side of General Botha is significant. He has been the close ally of General Hertzog. He must be in a position to estimate the strength of the ex-minister among his own people. That he should join the new ministry shows that he believes that General Botha will be able to maintain his position in Parliament. Yet the fact that there has been an open breach between General Botha and General Hertzog is immensely important. Such a breach must be difficult to heal. Its source is a conflict of ideals. Its opening has been brought about upon the Imperial issue. This division on such an issue cannot fail eventually to cut across the racial enmity which has hitherto, in spite of all efforts to obliterate it, and notwithstanding all attempts to conceal its existence, been the one elemental issue in South African politics. From



## The Labour Party

that point of view alone it would be difficult to overstate the importance of the ministerial crisis.\*

### II. THE LABOUR PARTY

MR MERRIMAN'S dictum that "South Africa is a country of samples" applies to its population as well as to its other features, and is reflected in the fact that support for the Labour Party comes from a few industrial districts and not from the country at large. By far the most important of them is the district of the Witwatersrand, followed, but at a considerable distance, by centres such as Pretoria, Kimberley, Durban and Capetown. At the present time the political influence of the party is confined to these centres, and, unless some other sections of the population can be attracted, its growth will be limited by theirs. Within these centres its growth will also probably be circumscribed, for it is felt that the party exists for the artisan rather than for the labourer or unskilled worker. In addition, this latter class, which, owing to the presence of the native labourer, is smaller in proportion to the general population in South Africa than in any other country where a labour party exists, has received no education in labour politics and hitherto has not been in touch with labour movements. A long-continued training will be required before it provides any real accession to the Labour Party's numbers or influence.

Recently a section of the poor Dutch in Johannesburg joined the party, but they took an early opportunity of seceding, putting forward as the reason for this step their

\* For the present at any rate General Botha seems to have secured the support of the majority of the Nationalist party (*vide Times* despatch dated Capetown, February 5). "A caucus of the full Nationalist Party was held here this morning to discuss the situation arising from the differences between General Botha and General Hertzog, and resulted in a large majority against General Hertzog."



## South Africa

objection to being bound by the decisions of the party caucus. Now, party discipline is certainly not unknown to the South African Dutch; the real reason for their action was much more fundamental, and traceable to the radical differences between their outlook and that of the European-born artisan.

At the present time the Labour Party, which claims to have a paid-up membership of close upon 16,000, appears to be under-represented in Parliament, and it seems probable that at the next general election it will gain several seats on the Witwatersrand, especially east of Johannesburg, and perhaps one or two in Johannesburg itself. Westwards their position is weaker, but the rearrangement of constituencies may give them another seat there. The gain of seats in Durban and in the environs of Capetown is also possible, but increase of their numbers in Parliament by representatives from other centres would, to say the least, seem doubtful. It would therefore appear that the strength of the Labour Party in the Union can be fairly represented by ten or twelve votes in a House of one hundred and twenty-one. This group would form a by no means negligible factor in the debates of the House, and, as they would represent a permanent section of the population permanently established in the constituencies concerned, the continuance of a Labour Party of this size can reasonably be anticipated.

The special South African features of the party platform arise out of the problems connected with the large native and coloured population of the Union,\* and the second of the party's general objects is stated to be "the extension of the field of employment for white persons in South Africa." This they propose to attain by methods common to other labour parties, and, in addition, "by prohibiting the importation of contract labour, white or coloured, and by the abolition of the present indentured labour system."

\*By native is understood a member of one of the aboriginal races of South Africa; by coloured, persons with an admixture of European blood.

# The Labour Party

Their native policy aims at:

The separation of the native and white races as far as possible by:

- (1) Separate representation for Kaffirs in separate Advisory Councils (presumably on the Transkei system) and no further extension of the Parliamentary franchise.
- (2) Prohibition of squatting and Kaffir farming and of native ownership of land in areas occupied by whites, and provision of suitable native reserves.
- (3) Prohibition of intermarriage and cohabitation between natives and whites within the Union.
- (4) Proper educational facilities and agricultural training for natives in reserves.
- (5) The development of suitable industries such as cotton and sugar planting in these reserves to be financed out of the proceeds of native taxation, and in this way to provide for natives who in pursuance of the white labour policy may be displaced from the areas occupied by whites.

In their fighting platform their native policy is summed up as "discouragement of native immigration to white centres and encouragement of native progress in native reserves." Clearly this statement of policy, as explained by the means proposed for its adoption, stops short of an open door for native development even in their own reserves, and, if for this reason alone, requires modification to render it practical.

The matters of immediate importance to the party, however, are not these far-reaching problems of native government, but the party's attitude towards the coloured man as distinct from the native. At the present time the party constitution draws no colour line, membership being "open to all adults of either sex who endorse the objects of the party and are accepted by the branch they desire to join."

On this aspect of the colour question the recent party conference in Capetown disclosed a clear conflict of opinion, a number of up-country delegates pressing for the total exclusion of the coloured man from the party, while the cooler heads of the party and the Cape Colony delegates urged the admission of all coloured people who would agree to stand out for the standard rate of wages.



## South Africa

The debate arose on the report of a committee appointed at the previous annual conference to consider this coloured question, which made the four following recommendations:

- (1) That no proposal for the modification of the laws confining the franchise to Europeans should be considered until such time as our native policy is given effect to.
- (2) That in any industrial legislation affecting wages and conditions of labour white standards should be insisted upon.
- (3) That, with a view to preventing miscegenation, legislation of a most stringent character should be enacted prescribing heavy penalties without distinction of sex for cohabitation of whites with Kaffirs.
- (4) That it is undesirable to admit coloured persons to membership of the party who have not given practical guarantees that they agree to the party's policy of upholding and advancing white standards.

These proposals were put forward in the belief that as time goes on

individuals among the coloured people will gravitate either to the white or the black mass of the population, and those problems presented by the coloured people as such will tend to disappear. With the realization of the first steps of our native policy and the consequent great increase to the white population, the presence of the coloured people as a separate section of the population will have a decreasing power to affect our national development.

Nothing should be done (the report concludes) to attract coloured people to the party at the expense of the white ideals. . . . Any attempt to exclude civilized people merely on account of their colour is unjust and indefensible and even suicidal. Separation from the white race, though most desirable in the case of the natives both in their interest and ours, is an impossible policy in the case of the coloured population, members of which can hardly be distinguished from Europeans.

In the debate that followed the introduction of this report, Mr Creswell, M.L.A., took the line that if the party's native policy were adopted the coloured question would present far fewer difficulties, that the shoe now pinched in the industrial sphere, but that for this the coloured man should not be blamed, as he had been utilized as an advance guard



## The Labour Party

of the native mass for the exploitation of labour. He further urged that the aim of the party was to create conditions under which the white man would expand in conformity with the ideals of white civilization, and proceeded:

The riddle of the Sphinx was being propounded in South Africa and that riddle was: Were the white people able to come into contact with a servile race and resist the temptation to which others had succumbed of looking on them as tools to be used for their own benefit, or were they going to govern the country in accordance with their own traditions, depending on themselves for their prosperity? Were they going to look on the coloured man as one to be held down and prevented from absorbing their own ideas, or were they going to afford him opportunities for advancement, enabling him to grow up, become a civilized man and merge in the white race rather than into the black mass?

Mr Creswell was supported by prominent members of the party, but strong opposition was shown to the course recommended in the report, and ultimately the question was shelved, so far as that conference was concerned.

It is a healthy sign that as soon as the labour party comes into contact with one of the most difficult of South African problems, such a report should have been brought forward and its adoption advocated upon the lines followed by Mr Creswell and supported by influential members of the party. Taking his arguments in conjunction with the report, the position assumed with reference to the coloured man as distinct from the native must be regarded as an advance towards the policy advocated by Rhodes of "equal rights for all civilized men," and it is to be hoped that a policy on the lines of the proposals above-mentioned will be adopted.

The party's decision on this point will be a most important one, and upon it will depend the existence of a united labour party in South Africa; for, while the Transvaal trade union branches have so far only admitted persons of European descent to membership, certain Cape Colony branches include a number of coloured members. Like much

## South Africa

else, therefore, in the political organization of South Africa the future of the Labour Party appears to be in doubt.

It also cannot be contended that this is the only question upon which there is disagreement, for others are bound to arise in the ordinary course of the party's political development. The socialism, for instance, which is laid down as a first principle of the party's existence is not understood or agreed to by all its members, and any attempt to legislate on socialist lines would probably cause disunion. White immigration, another important plank of their platform, as soon as it affected the standard wage—which it must do if carried out on a large scale—would also cause trouble; and in addition to these and similar difficulties which are bound to arise whenever any policy resolved upon by the party comes into conflict with the immediate interests of the trade unions, there is the fundamental difficulty of obtaining a consistent line of action from a combination of bodies whose delegates in conference accept and applaud the statement that they “recognize no leaders of the Labour Party, for they are a democratic party.” This difficulty of organization which affects all labour parties exists in an acute form in South Africa.

At the same time there is much beneficial work which they can do, and only as a united party can they keep before the public of South Africa a phase of opinion and the workers' attitude to social problems which otherwise this sub-continent would be liable to forget. As Mr Creswell put it in his reply to Sir Frederick Smith's speech of welcome:

The party stands not for any particular section of the public but for principles, which, having come certainly from the hard necessities under which the labouring men had found themselves, were nevertheless principles which they believed were calculated to promote the best human interests of all classes of the population.

South Africa, January, 1913.

## NEW ZEALAND

### I. THE MASSEY GOVERNMENT'S FIRST SESSION.

THE fear that the ambiguous verdict of the constituencies at the general election in December, 1911, would afflict our politics with the instability from which the Commonwealth suffered for so long has fortunately not been realized. Though neither Sir Joseph Ward nor Mr Massey could claim a majority of the House that was then elected, and a slightly larger number of members was pledged against the latter than against the former, the retirement of Sir Joseph Ward has, nevertheless, enabled Mr Massey to form a Government which has weathered the dangers of its first session with no great difficulty and bids fair to outlast the term of the present Parliament. This surprising result is due not so much to the discovery of any unexpected merits in Mr Massey or the Reform Party as to the blunders of their opponents. Despite the manifest waning of the country's confidence, the Ward Government held tenaciously to office, but it only succeeded in defeating Mr Massey's no-confidence motion in the special session held in February, 1912, through its leader's undertaking to resign in any event. This promise and the Speaker's casting vote enabled Sir Joseph Ward to retire unbeaten, and to retain the succession for his own party, but the desperate effort to "save face" proved to have cost the party very dear. Bitter and prolonged feuds were developed in the endeavour to find a new leader. The choice ultimately fell upon Mr Thomas Mackenzie, whose cabinet



## New Zealand

did not include a single other member of the late Government and had to face the open hostility of disappointed aspirants and their partisans. When Parliament met in June to decide in the first place the fate of the Mackenzie Government, the mutual recriminations of contending Liberals were far more bitter than their joint attacks upon the then Opposition. The spirit of discord has survived the appointment of the Massey Government. The Liberals in opposition have been unable to select a leader or even to find a tolerably representative committee among whom to put the leadership in commission. Disunion has paralysed the party and tided the Reform Government over initial difficulties which a year ago appeared insuperable.

In the financial statement, delivered by Mr James Allen, as Minister of Finance, on August 6, the Government outlined a programme of financial administration and constitutional reform which made a good impression by its solidity and its courage. The bulk of the programme has still to be realized, but the gap between promise and performance is not wider than is usual in the opening session of a new Government. The crucial test will come next session.

The most important measure passed is the Public Service Act, which transfers a large part of the public service from the control of the cabinet to that of a Commissioner, removable only by the House of Representatives, and two assistant Commissioners. The laudable aim of this measure is declared to be "the destruction of political patronage," and the high character and capacity of the men appointed justify the hope that it may be realized within the limits prescribed by the Act. But the exclusion of the Railways Department from its scope means that a department which is second to none either in size and importance or in its liability to the evils in question is deprived of the benefits of the Act. The boldest of the Government's bills proposes to transform the Legislative Council from a nominated body into one directly elected by the same adult franchise as the Lower House, but from larger districts and by

## The Military Training Scheme

proportional representation. This measure has been blocked for the present by the opposition of the Council itself. But the Government's proposals have been affirmed in the House of Representatives by large majorities, and the Governor can hardly refuse to make the new nominations to the Legislative Council which will be needed to ensure the adoption of these proposals by the Council next session.

### II. THE MILITARY TRAINING SCHEME.

THE only matter of wide Imperial interest that formed the subject of legislation during the session was the defence question. On the main point the Government's Defence Bill followed the lines which had been laid down by the two preceding Governments, and were foreshadowed in the December number of *THE ROUND TABLE*. Though the frontal attack on the compulsory principle had manifestly failed at the general election, there was a wide-spread feeling that the scheme would be not weakened but strengthened by providing some less drastic punishment than ordinary imprisonment as the normal alternative to the payment of fines by defaulters. Imprisonment had not been expressly provided by the Legislature in 1909 for the enforcement of the obligation to submit to training, but it followed automatically as an incident of the summary procedure prescribed for the punishment of offenders. By way of justifying his reluctance to send defaulters to gaol, Sir Joseph Ward had urged that Parliament would never have wittingly sanctioned the resort to imprisonment in these cases, and that public opinion would have rebelled against the free use of the power. As to the first point, the ex-Premier is probably right, and as to the second, the Mackenzie Government shared his desire to satisfy the sentiment which objects to the association of youthful defaulters with the gaol taint, by substituting military detention for imprisonment.



## New Zealand

The Defence Bill of the Massey Government adopted this policy, but with an important modification. Military custody is to be the normal punishment for defaulters who fail to pay the fine imposed. But the power of imprisonment is very wisely held in reserve for emergencies. In reply to Sir Joseph Ward's contention that the power should be abolished, Mr James Allen, who is Minister of Defence as well as of Finance, said that he hoped that it might never be used, but that it could not be dispensed with. The cry about "gaoling our boys" has, indeed, been grossly exaggerated by the small but noisy minority opposed to the scheme. There have not been more than fifty cases of imprisonment, although, up to the 31st May, there had been 28,600 Territorials registered and 33,197 Senior Cadets—the number in the former case being 1,520 in excess of those estimated to be liable. If the same firmness that has distinguished the administration in the hands of Mr Myers and Mr Allen had been displayed during its earlier stages, even this tiny proportion of imprisonments to registrations—less than .1 per cent.—might have been reduced. There is little inducement to seek cheap martyrdom in a week's or a fortnight's imprisonment, if it obviously fails either to excite popular sympathy or to embarrass the Government.

The military custody which the new Act empowers the convicting magistrate to impose as the alternative to the fine may be for any period not exceeding twenty-eight days. The custody need not be continuous, but the temporary releases which the officer-in-charge is authorized to allow are not to exceed forty-eight hours at any one time. The idea is to allow the offender to follow his usual occupation but to compel his attendance, with the aid, if necessary, of a constable, at camp or barracks, and there to put him through at least as arduous a course of military training as he would have had to undergo if he had complied with the law in the first instance. In the event of disobedience during custody a further term may be imposed, and the process may apparently be renewed indefinitely. But imprisonment



## The Military Training Scheme

will probably be found the most convenient punishment for obdurate defaulters. The Act also arms the authorities with power to attach the salary or wages of any defaulter in payment of his fine—a power which in the case of strikers who have violated the law has been found more effective than attachment of the person.

The exclusion of the junior cadets from the Defence Scheme is another important change effected by the Act. As the age of these cadets is from twelve to fourteen years, the determination to minimize the military element in their training and to confine it almost entirely to physical drill met with no serious opposition. Though nominally included in the Defence Scheme the junior cadets were, in fact, hardly a part of it, having always by a strange anomaly remained under the jurisdiction of the Education Department with a Commandant of their own. The more logical solution now adopted was recommended by the Mackenzie Government, and is approved by public opinion no less than by the military authorities.

The general effect of the Defence Amendment Act, 1912, is to strengthen materially the hands of the administration, although during the period of uncertainty which followed the general election a serious weakening was feared. But even more encouraging than the Act itself is the evidence furnished by the debates in both Houses that the compulsory principle has practically passed beyond the range of controversy. In neither House was the principle seriously challenged; the nearest approach to such a challenge was an amendment moved in the House of Representatives for the exemption of conscientious objectors from military duties, and this was rejected by forty-four votes to ten. Yet even the mover of this amendment proposed to find equally irksome non-military tasks for these objectors, and declared that his object was to safeguard the training scheme and not to injure it. Whatever may be said or hoped elsewhere, nobody in New Zealand doubts that compulsory training has come to stay.

# New Zealand

## III. THE WAIHI STRIKE.

THE unique origin of the miners' strike at Waihi in a struggle between rival Labour Unions was described in the September number of *THE ROUND TABLE*. It has also proved unique among New Zealand strikes in its duration, which exceeded six months (May 15–November 30), and in the remarkable manner of its conclusion. The cause of the strike was such that compromise proved to be out of the question. The Waihi Miners' Union, which is affiliated to the New Zealand Federation of Labour, a revolutionary Socialist organization, and is not registered under the Industrial Conciliation and Arbitration Act, called out its members and brought the mines to a standstill because an Engine-drivers' and Winders' Union had been formed by some of its former members and registered under the Act. The negotiations for a settlement proved abortive, because the miners declined to work with the members of what they termed a "Scab" Union, and the employers naturally refused to discriminate against a Union which by virtue of its registration was, unlike the Miners' Union, able to make an agreement capable, when filed in the Arbitration Court, of being enforced as an award of the Court. Both sides settled down accordingly to a waiting game. The strikers, being at first in a large majority, had for some months something like full control of the town. Though little was done in the way of actual violence, an elaborate system of intimidation, boycotting, hustling and abuse was established, which rendered the position of the minority so intolerable that, after the strike had lasted nearly four months, the Government was unable to resist the appeal for increased police protection. The vigilance of the police did a good deal to mitigate the persecution. The chief result of a series of prosecutions was that some seventy strikers elected to go to gaol rather than find sureties



## The Waihi Strike

to keep the peace. The attempt to arrange a twenty-four hours' strike in other parts of the country by way of protest against these imprisonments met with but little success. In the House the attacks made upon the Government for its action in the matter by certain members of the Opposition were equally unsuccessful. The Minister of Justice replied with unanswerable logic that the strikers held the key of their own prison, since they could all find the necessary sureties if they chose.

On October 2 the mines were re-opened with "free labour," as it is called in this country. This does not mean non-union labour. All the men at first taken on, as well as those engaged since, are members of a new Union registered under the Arbitration Act; but they are free from the domination of the Federation of Labour. The police had so much difficulty in getting the men past the crowds of strikers that after the first day the expedient was adopted of driving them to and from the mines in brakes accompanied by a mounted escort. Every day the workers had to run the gauntlet of a hostile demonstration in which the women-folk of the strikers played a prominent part. It is surely a testimony to the essentially law-abiding character of our people that these tactics should have been repeated day after day for five weeks with but few actual breaches of the peace. But as the number of the Arbitration workers grew, their patience declined. On November 11 a *mêlée* occurred in which the Federationists were very roughly handled. On the 12th, as the procession of workers was passing the Miners' Union Hall on its way to the mines, the usual cries of "Scab" from a group of strikers led to an exchange of blows. A rush for the Hall, to which some of them had retreated, followed, and shots were fired from within, one of which slightly injured a worker. A subsequent shot, fired as the occupants retreated, seriously wounded a constable, who felled his assailant with a blow which resulted fatally a few days later. The use of firearms so enraged the Arbitrationists that a wild chase followed, in which the



## New Zealand

police had much difficulty in saving the other guilty parties from summary vengeance.

Later in the day the first general meeting of the new Union crowded the Hall, which had remained in their possession since its capture in the morning. At this meeting a resolution was unanimously passed that fifty-five of the most aggressive Federationists should be given forty-eight hours' notice to leave the town "or take the consequences." These notices were duly served, and, before the stated time had expired, all the persons notified and many more partisans of the Federation had left Waihi, the exodus being increased by the action of the Federation itself in withdrawing its men with the apparent object of exaggerating the intimidation practised by the other side. On November 14—exactly six months since the beginning of the strike—it was officially reported that order had been fully restored in the town, and the Minister of Justice expressed himself satisfied that the trouble was over. Recognizing that the game was up, all the imprisoned strikers elected on the same day to come out of gaol. On November 15 the workers were able to go to and from the mines without the assistance of brakes or policemen; and by the 30th even the Federation of Labour had to acknowledge that the strike was off.

The experience has been a remarkable one, and is full of instruction. To the revolutionaries it may serve as a salutary reminder that physical force is a two-edged weapon and cannot be monopolized by the enemies of society. For the present their discomfiture and discredit appear to be complete. The first-fruits of the fiasco at Waihi are to be seen at Huntly, the chief coal-mining centre of the North Island, where the Taupiri Coal Company, about three-fourths of whose employees belong to the Federation, has decided to give higher wages and better terms to the members of a union recently formed under the Arbitration Act, and to require all future employees to join that union. The Federationists at Huntly have replied by deciding to join the union *en masse*, in the hope of controlling it. This

## The Waihi Strike

their numbers would apparently enable them to do, but the provision in the union's agreement with the company that no strike shall be declared without a secret ballot of the union is expected to limit their powers of mischief.

The Massey Government has gained much credit by the firmness with which it faced the position at Waihi while the issue was still doubtful, and by the impartiality with which it has prosecuted the peace-breakers on both sides. But the apparent acquiescence of the Government in the action of the Arbitrationists at Waihi in constituting themselves a sort of Committee of Public Safety and quietly proclaiming and enforcing the expulsion of their opponents is quite insufficiently justified by the statement of the Minister of Justice that he cannot proceed upon newspaper reports. If these things are not in his official reports they ought to be.

### IV. NAVAL POLICY

**I**N the neglect of Imperial affairs the new Parliament and the new Government has followed only too closely in the steps of its predecessors. The difficulties of a Government which (after its party has been for more than twenty years in opposition) has to face Parliament with an arduous domestic programme almost immediately after being sworn in must, of course, be allowed for. Individually, the Imperial sympathies of Ministers are beyond suspicion, but the collective result so far has been almost a blank. No pronouncement of policy in regard to naval defence and Imperial Union has been volunteered; and various questions relating to representation on the Committee of Imperial Defence and co-operation with Australia have been met with the stereotyped reply that they would be considered during the recess. Now that the recess has arrived, the Government considers that, as the Minister of Defence has



## New Zealand

to be in London, mainly on a financial mission, early in 1913, the expression of its own views had better be postponed until he has interviewed the Imperial Defence Committee and ascertained theirs.

If the Minister of Defence had a free hand in the matter, the country would probably be committed without hesitation to a definite forward move. His address to the Navy League Conference on September 24 is the only notable Ministerial utterance on Imperial affairs that we have had since Sir Joseph Ward astonished us by the sudden development of his views on Imperial Federation in his speech at Sydney eighteen months earlier. Lord Islington, whose keen and sympathetic interest in all Imperial and domestic questions has made his premature resignation of the Governorship a matter for universal regret, preceded Mr Allen with a speech in which the broader aspects of Imperial defence were very happily sketched. After expressing a doubt whether the taxpayers of Great Britain could continue indefinitely to bear their present disproportionate share of the burden of Empire, His Excellency proceeded to touch the root of the matter:

I would venture to say to you, gentlemen, as delegates of the Navy League, that I hope that in the not very distant future the self-governing Dominions will assume full statutory partnership in the responsibilities and obligations as well as the privileges and advantages of Empire. I hope the time is very near for a modification of existing relations between the Mother Country and the Dominions, which would provide for the admission of the peoples of the overseas Dominions and possessions to a common citizenship of an Imperial character with an adequate measure of representation in an Imperial Council.

Mr Allen supplemented these general remarks with a reference to the immediate outlook in the Pacific. "As a New Zealander," he said, "I cannot take my mind away from the responsibilities in the Pacific Ocean. With these always in view, centralization in European waters is not all that a New Zealander can desire, and personally I look for-



## Naval Policy

ward with some fear and alarm to such an isolation in the Pacific." Mr Allen proceeded as follows:

So long as the British fleet remained in command of European waters there was no danger to the eastern shores of Canada, but no arrangement could be satisfactory to those living in the Pacific unless the British fleet commanded the Pacific as it commanded the Atlantic seas. He did not think what had taken place in regard to the China unit was satisfactory to New Zealand. No self-respecting New Zealander could put up for any length of time with the position they would find existing in the course of a few months in New Zealand waters. That the Mother Country should send her battle-cruisers and cruisers and submarines here and pay for them was more than any self-respecting New Zealander could permit. He thought that one of the New Zealand harbours should be made safe as a naval station. Personally he regretted that the offer made by Australia to train New Zealand officers in their Naval College had not been accepted. He hoped the offer would not be declined if it were made again. They could not divorce themselves from Australia from a defence point of view. They should accept the hand of comradeship when it was offered, provided the Australian conception of defence realized that Australasia was only a part of a great whole. New Zealand could not stand aloof. The country realized the necessity for paying for its naval as well as its military defence. He regretted that the Minister of Defence, and indeed the whole Cabinet, was not more closely in touch with naval matters.

With regard to the proposed inclusion of New Zealand in the China Station and to the injury conveyed to a New Zealander's self-respect by the dependence of his country upon a navy provided and maintained by others, the Minister speaks for us all. In his advocacy of co-operation with Australia in her naval venture he speaks for a number which is steadily growing, but cannot yet be said to form a majority.

At the Imperial Conference of 1907 Sir Joseph Ward accurately represented New Zealand opinion when he championed a single undivided Imperial Navy against the Australian idea. But his recent arguments on the same lines have revealed a considerable division of opinion on the subject. Even among those who would like to see the Admiralty's control of the local units automatic and

## New Zealand

absolute in time of emergency, the idea is gaining ground that it is only through the sense of local proprietorship and the responsibilities of local management that the necessary knowledge will be gained by the Dominion and the necessary stimulus imparted to their national spirit to make them face the sacrifices that will be needed to organize the great Imperial Navy that is to be. According to this theory, the local idea is not, as we once regarded it, a step towards disintegration, but a stepping-stone towards that higher unity which can only be achieved and maintained by a vital activity in all the parts.

If, however, New Zealand is to adopt the local principle at all, she is plainly too small to do it on her own account. Co-operation with Australia, as favoured by our Minister of Defence and by a New Zealand writer in *THE ROUND TABLE* for September, 1912, would therefore seem to be the only practicable course. So far, however, there cannot be said to be any strong set of public opinion in this direction. Public opinion is waiting for a lead, but nobody seems ready to give one. The task has not been rendered any easier by Australia's apparent lack of eagerness to be represented on the Imperial Defence Committee.

The banquet given to the Minister of Defence by the two citizens' defence organizations of Wellington—the Military Training Committee and the Navy League—on the eve of his departure for England (December 11) failed to draw any definite declaration regarding the Government's naval policy; but both the Premier and his colleague took the opportunity of saying some interesting things. Mr Massey repeated a previous declaration in favour of more frequent Imperial Conferences to be held occasionally in one of the oversea Dominions, admitted that New Zealand had not yet done her duty in the matter of naval defence, and expressed the opinion that Mr Allen would be able, in consultation with the British Government, to come to an arrangement which the New Zealand Government would ratify. Owing to the indecision of his colleagues, the

## Naval Policy

Minister of Defence was unable to repeat his plea for naval co-operation with Australia. He contented himself with a general reference to the Pacific Fleet of the future, which will be built and maintained by Canada, Australia and New Zealand, with some help from India and South Africa, and put in a salutary word on the limitations of the local principle which he had previously advocated as preferable to cash contributions to the Admiralty. "It was useless," he said, "to build up a local navy for local purposes, and Australia must realize this. A certain number of ships must be retained for coastal defence, but if the fleet was to be effective, the fighting section of it must be under one control."

The other important point made by Mr Allen was the necessity for an expeditionary force as a part of our contribution to Imperial Defence. "The Government hoped," he said, "to have the organization completed in the course of a few months"; and he mentioned 8,000 or 10,000 men as the force that New Zealand should provide. Though it cannot be said that the announcement has excited any general enthusiasm, the significant thing is that it has not been strongly resented. Ten years ago Mr Seddon stood almost alone in the Imperial Conference of 1902 in advocating it.

New Zealand, December, 1912.





# THE ROUND TABLE

A QUARTERLY REVIEW OF  
THE POLITICS OF THE BRITISH EMPIRE

## CONTENTS

The Balkan War and the Balance of Power	page 395
Ministers and the Stock Exchange	425
The Grain Growers' Movement in Western Canada	456
The Ethics of Empire	484
United Kingdom:	502
<i>Political Apathy—The Discouragement of All Parties— The Want of Dramatic Antagonism</i>	
Canada:	514
<i>Obstruction in Parliament—The Closure and the Senate —Canadian Banking Legislation—The American Tariff</i>	
Australia:	529
<i>Imperial Matters—Federal Politics—The General Election and the Referenda</i>	
South Africa:	545
<i>The Crisis in the Nationalist Party—University Reform</i>	
New Zealand:	566
<i>The Labour Movement—Naval Defence</i>	

N<sup>o</sup> 11.      Price 2/6      JUNE · MCMXIII

London: MACMILLAN & CO., LTD.

## NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Empire, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Empire are in the hands of local residents who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

THE ROUND TABLE can be obtained through any bookseller or through any of the following:

UNITED KINGDOM: Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.

CANADA: The Macmillan Co., of Canada, 70 Bond Street, Toronto.

AUSTRALIA: Messrs Macmillan & Co., Ltd., 109 Russell Street, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: Messrs Macmillan & Co., Ltd., 44 Hornby Road, Bombay; 294 Bow Bazaar Street, Calcutta.

EGYPT: Mr F. Diemer (Finck & Baylaender Suc.), Shepheard's Building, Cairo.

CHINA, JAPAN AND STRAITS SETTLEMENTS: Messrs Kelly & Walsh, Shanghai, Hong-Kong, Yokohama, Singapore.

UNITED STATES: The Macmillan Co., 64-66 Fifth Avenue, New York.



Anyone who desires any information with regard to THE ROUND TABLE and its objects or who has any difficulty in obtaining a copy at the places mentioned on the opposite page should apply to the following:

UNITED KINGDOM: The Secretary, THE ROUND TABLE, 175 Piccadilly, London, W.

CANADA: A. J. Glazebrook, Esq., Janes Buildings, Yonge Street, Toronto; or J. A. Stevenson, Esq., 16A Fort Barry Court, Winnipeg, Manitoba.

AUSTRALIA: F. W. Eggleston, Esq., Imperial Chambers, Bank Place, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: H. D. Craik, Esq., Amritsar, Punjab.

The price of THE ROUND TABLE is 2s. 6d. (60 cents, Canadian, or Rs.2) per copy. Annual subscription (including postage) 10s. (\$2.50, or Rs.7/8) per annum. Covers for binding volumes 1s. 6d. (37 cents, or Rs.1/2) can be obtained from the Publishers, Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.

# CONTENTS OF Nos. 7, 8, 9 & 10.

## No. 7. JUNE, 1912.

The Durbar and after	page 395
Home Rule	422
The Other Irish Question	447
The Brisbane General Strike	472
United Kingdom:	496
<i>The Political Situation—Mr Churchill's Naval Policy—The Coal Strike</i>	
Canada:	524
<i>Mr Borden in Office—A Constitutional Conflict—Trade with the West Indies—An Imperial Navy</i>	
Australia:	542
<i>Commonwealth Administration—Difficulties of the Labour Party—Political Prospects</i>	
South Africa:	555
<i>The Parliamentary Session—The Work of Reorganization—The Financial Relations Commission</i>	
New Zealand:	568
<i>Local Politics—The Labour Unrest—The Japanese in the Pacific—Commonwealth and Dominion</i>	

## No. 8. SEPTEMBER, 1912.

India and the Empire	page 587
Canada and the Navy	627
The Labour Movement in Australia	657
United Kingdom:	678
<i>The Difficulties of the Coalition—An Alternative Government</i>	
Canada:	709
<i>The Naval Conference—The Royal Governor—Provincial General Elections</i>	
Australia:	717
<i>A Plea for a National Policy—An Australian Note on Anglo-German Relations</i>	
South Africa:	737
<i>The Parliamentary Session—Ministerial Dissensions—The Reconstruction of the Ministry</i>	
New Zealand:	750
<i>Closer Relations with Australia—The Political Crisis—Compulsory Military Training—Labour Unrest</i>	
Index to Vol. II	

## No. 9. DECEMBER, 1912.

Arbitration and War	page 1
The Balkan Crisis:	30
1. <i>The Outlook</i>	
2. <i>A German View</i>	
India: Old Ways and New	52
Australian Banking and Currency	81
United Kingdom:	98
<i>The Home Rule Bill—The Constitutional Conference (1910)—</i>	
<i>The Ulster Question—The Committee Stage—Lord Dunraven</i>	
<i>and Compromise</i>	
Canada:	134
<i>The Naval Proposals—Railway Rates in the West—French in</i>	
<i>the Schools</i>	
Australia:	152
<i>Strikes and Legislation—The Political Parties—Current Politics</i>	
<i>—Universal Military Training</i>	
South Africa:	173
<i>The Rhodes Memorial—The Unveiling of the Memorial</i>	
New Zealand:	178
<i>The Change of Government—The Outlook on Imperialism—The</i>	
<i>Government Policy and Finance—Reform of the Legislative</i>	
<i>Council—The Resignation of the Governor—The National</i>	
<i>Training Scheme</i>	

## No. 10. MARCH, 1913.

Policy and Sea Power	page 197
The Unionists and the Food Taxes	232
The Union of England and Scotland	277
Political Crime in India	303
United Kingdom:	318
<i>The Home Rule Bill—The Fate of the Franchise Bill</i>	
Canada:	335
<i>The Canadian Naval Proposals—Western Views of the Panama</i>	
<i>Canal</i>	
Australia:	352
<i>Finance—Federal Legislation</i>	
South Africa:	368
<i>The Ministerial Crisis—The Labour Party</i>	
New Zealand:	381
<i>The Massey Government's First Session—The Military Training</i>	
<i>Scheme—The Waibi Strike—Naval Policy</i>	





# THE BALKAN WAR AND THE BALANCE OF POWER

## I

THE victories of the Balkan League and the disappearance of Turkey in Europe have profoundly affected public opinion. Every autumn for years past it has been a commonplace of the quidnuncs to say there would be a Balkan war in the following spring, and that, when that happened, nothing could prevent a European war. The Balkan war has come and almost gone, but so far the peace of Europe has—though with difficulty—been preserved. It is too early to say with any certainty what the ultimate results of the war will be: but it is possible to attempt a survey of some of the effects which it may produce on the general international situation, and particularly on the balance of power, in the maintenance of which the British Empire is vitally interested. In such an attempt the first thing is to glance at the position in the Balkans themselves.

In the Balkan peninsula, more perhaps than anywhere else in the world, ancient history is modern politics. It is easy enough to find an Englishman who has never heard of Crecy or Agincourt, but the Servian soldier still marches to victory with the cry of "Remember Kossovo," and every Montenegrin still wears mourning for the Slavonic Empire of Stephen Dushan. Like the Seven Sleepers of Ephesus, the Balkan peoples awake after the long "Turkish night" to the political consciousness of a bygone age. For an

## The Balkan War and the Balance of Power

understanding of the Balkan problem an historical digression is not only pardonable, but necessary.

The modern kingdoms of Rumania, Bulgaria and Servia correspond fairly closely with the Dacian and Moesian provinces of the Roman Empire. During the decline of the Empire these provinces were successively overrun by Goths, Huns, Avars, Slavs and Bulgars, but to the eyes of Gibbon it appeared that the "greater part of these barbarians has disappeared without leaving any memorial of their existence, and the despicable remnant continues, and may long continue, to groan under the dominion of a foreign tyrant." This remnant is represented by the modern Serbs and Bulgars. The origins of the two nations were very different. The Slavs, Serbs or Wends are an Aryan race, identical perhaps with the Sarmatians who in classic times inhabited the fastnesses of Scythia, and whose pedigree is traced by Herodotus to the day when the warlike Amazons succumbed to the gentler arts of peace. The Bulgars are of Turkish extraction, descended, it is thought, from those Huns who in the fifth century made Attila feared as the "scourge of God." Their Turanian language, however, has disappeared, and they now speak a Slavonic dialect. The Slavs arrived in the sixth, the Bulgars in the seventh century after Christ. Beginning as mere marauders, then subjects of the Emperor of Constantinople, first the Bulgars under their Czar Simeon, and later the Slavs under Stephen Dushan, established independent kingdoms which for a short time extended from the Danube to the Ægean and from the Adriatic to the Black Sea. The rest of the Balkan peninsula, apart from a few Norman chiefs established in Greece and the Isles at the time of the Crusades, still owned the sway of the Greek, or, as he preferred to call himself, the Roman Emperor. For, though its language and civilization were Greek, the Byzantine monarchy to the very end claimed to represent the majesty of Augustus. For several centuries Greeks, Slavs and Bulgars were constantly at war with each other. All perished in a common



## The Balkan War and the Balance of Power

ruin. Stephen Dushan died in 1356; a year later the Ottoman Turks, a Turanian tribe which had absorbed the Mohammedan states of Asia Minor, effected their first landing in Europe at Gallipoli. In 1389 the Servian power was finally crushed at Kossovo; in 1453 the capture of Constantinople completed the conquest of the peninsula. In spite of the resistance of Scanderbeg in Albania, of Hunyadi Janos in Hungary and of Ivan the Black in Montenegro (where the first Slavonic printing press was set up), the Turkish power steadily advanced. Bosnia, Croatia and Hungary were annexed; Transylvania, Wallachia and Moldavia became tributary; Vienna itself was besieged in 1529 and 1683.\*

The secret of the successes of the Turks may be found partly in their religion, which enjoined the conquest or conversion of all unbelievers, partly in their possession, alone among contemporary powers, of an efficient standing army, and partly in the dissensions of their foes. The fact that the Pope was trying to form a coalition against the Sultan was enough to make Luther declare—though he changed his opinion later—that to resist the Turks was to resist God, who had sent them as a visitation. Gradually, however, and especially as the house of Hapsburg consolidated its power in Austria, the resistance of Europe became more effective, and the Turkish organization, which had been admirably adapted to conquest, proved ill-fitted for settlement. The Venetian naval victory of Lepanto in 1571 was the first premonition of the decay which, though staved off for over a century, became more rapid after the Treaty of Carlowitz in 1698, by which Hungary was ceded to Austria. The eighteenth century was marked by Austrian and Russian aggression from without, and the nineteenth century by rebellion within the Empire, and the rise of what we know as the Balkan states. After repeated insurrections, Greece became an independent kingdom in 1832. Rumania, Servia and Bulgaria, after passing through the stages first of vassal,

\* The map opposite p. 398 shows the farthest limit of the Ottoman dominions, and the dates at which they have been successively dismembered.

## The Balkan War and the Balance of Power

then of practically independent principalities, attained the rank of kingdoms respectively in 1881, 1882 and 1908.\* Montenegro, which under its mediæval *vladikas*, or prince-bishops, had never acknowledged the Turkish supremacy, was recognized as independent in 1878 and became a kingdom in 1908. With the progress of the nineteenth century the elements of decay within the Turkish Empire became more and more apparent. As the Czar Nicholas said to the British Ambassador in 1853, "We have on our hands a very sick man. The sick man is dying, and we can never allow such an event to take us by surprise." The sick man lingered on for sixty years, and it was not till the military revolution of the Young Turks had disorganized his army that his last European provinces were finally shorn away.

The sick-bed of the Turk was surrounded by eager

\* The actual stages were as follows:

(1) The Greek war of independence was brought to an end by Russian intervention in 1829, when the Treaty of Adrianople between Russia and Turkey recognized the independence of Greece. It was constituted an independent kingdom under the protection of England, France and Russia by the Convention of London in 1832. Thessaly was added in 1881.

(2) Servia obtained a grant of autonomy from the Sultan, after rebellion, in 1817. The Treaty of Adrianople (1829) recognized this autonomy under an hereditary prince, and the Treaty of Berlin (1878) granted complete independence with enlarged territory. In 1882 Prince Milan proclaimed Servia a kingdom.

(3) The Danubian Principalities of Moldavia and Wallachia were formerly under Christian governors appointed by the Porte. Till 1829 these *hospodars* were Phanariots, i.e. Greeks of Constantinople : afterwards they were natives. The two principalities were granted autonomy by the Treaty of Paris (1856) and were united under one prince and called Rumania in 1861. Rumania was declared independent by the Treaty of Berlin (1878), the Dobmdja being added in place of Bessarabia which was annexed by Russia. Prince Charles (elected 1866) was proclaimed king in 1881.

(4) Before 1878 Bulgaria was merely a geographical expression. The "Big Bulgaria" proposed by the Treaty of San Stefano (1878) was much reduced by the Treaty of Berlin, which made Bulgaria, north of the Balkans, an autonomous principality under Turkish suzerainty, while Eastern Rumelia was placed under a Christian governor named by the Porte with the consent of the powers. By a *coup d'état* in 1885 Eastern Rumelia was united to Bulgaria, and was annexed in 1908 when Prince Ferdinand proclaimed his independence and assumed the title of king. (See map on opposite page).









## The Balkan War and the Balance of Power

aspirants for the reversion of his inheritance. Even in the eighteenth century an Austro-Russian partition of Turkey was more than once mooted. Later, as Russia's power increased, her aims became more ambitious, and she began to dream of the possession of Constantinople and a fleet in the Mediterranean. These ambitions were twice thwarted by the other European powers—forcibly in 1856 and diplomatically in 1878. Austria herself, at least as late as 1908, when she evacuated the *sanjak* of Novibazar, had visions of an extension of territory to Salonika. England, by virtue of her Indian Empire, is the greatest Moslem state of the world, and therefore could not be indifferent to the spoliation of another Moslem power. Fear of the Russian menace on the flank of her communications with India and Australia led her, moreover, to support, as a bulwark against the northern power, first the integrity of Turkey, and then, as that became impossible owing to Turkey's weakness and misgovernment, the establishment of strong independent states on the ruins of the Turkish Empire.

Now at last Turkey has disappeared from all Europe except Constantinople and the adjacent districts. It remains to divide the still unappropriated spoil. None of the great powers can afford to allow another to acquire territory in the Balkans, and with self-denying unanimity they have recognized this fact. Turkey's only possible heirs are the existing Balkan states, but their claims are conflicting and hard to reconcile. The creation of these states was in great measure a tribute to the principle of nationality, and this principle is invoked now to justify their various territorial claims. But nationality in the Balkans is not a simple matter. We have already sketched the descent of the Slavs and Bulgars. Members of these races are to be found, not only in the two kingdoms, but scattered throughout the peninsula. These, however, do not exhaust the nationalities of this troubled land. Turks proper are in a small minority: the so-called Turks of the Balkans are mostly Moslemized members of the other races. In the western mountains are

## The Balkan War and the Balance of Power

the Ghegs and Tosks, two groups of Albanian tribes, whose origin is obscure. In race and language alike they are no man's kin, and a plausible theory is that they are the descendants of the ancient Illyrians who occupied their territory before the Roman conquest. Some would even connect them with the prehistoric Pelasgi. In Greece and Epirus are the modern Greeks, who speak the language and boast the blood of ancient Hellas, mixed, however, in each case with a considerable element derived from Slav and other invaders of the past. The Rumanians represent the old Roman provincials, while scattered about in various districts are tribes of Wallachian\* shepherds, who speak a Romance language, are connected with the Rumanians of the kingdom and the Morlacchians of the Dalmatian hills, and are known as Kutzo-Vlachs.

Speaking generally, Bulgars predominate in the east, Serbs and Albanians in the west, and Greeks in the south; but isolated communities of each are to be found in the spheres of the others, and Macedonia in particular is, in no metaphorical sense, the battlefield of the races. As soon as it became clear that the eventual break-up of the Turkish Empire was only a matter of time, the question of race became one of politics. Greece, Servia, and Bulgaria were each anxious to stake out claims, based on racial grounds, to the patrimony of the sick man. With this object, each tried to prove, by every means available, the predominance in numbers of their own kinsmen in the territories they coveted. In primitive societies the simplest way of converting an adverse majority into a minority is to exterminate it, and this is what the rival races too often attempted to do. Bands of Greek, Bulgarian and Servian brigands—or *komitadjis*, as they are called—roamed about Macedonia and other Turkish provinces, burning, slaying

\* The origin of the name Wallach or Vlach is obscure. Some derive it from a German root, akin to our "Welsh," meaning "stranger," and think that it was the name given by the barbarian invaders to the inhabitants of the Roman provinces.



## The Balkan War and the Balance of Power

and ill-treating the hapless villagers. They were ostensibly disowned by the various Balkan states, but there is no doubt that they were financed and secretly encouraged by their brethren in the kingdoms.

The question of race is complicated by that of religion. It was according to religions that the Turks themselves classified their subjects. Now that the Turk is gone, the Moslem inhabitants will presumably have to submit to the fate of the conquered and, except in Albania, accept the rule that is thrust upon them. But the Christians are not a homogeneous body. In the west there is a considerable number of Roman Catholics, thanks largely to the efforts of Franciscan missionaries from Austria. The great majority, however, belong to the Orthodox or Greek Church. Albania, it may be noted, contains representatives of all three creeds. Even the Orthodox majority is divided on racial grounds. At the date of the Turkish conquest the Orthodox Christians owned spiritual allegiance to the Œcumenical Patriarch of Constantinople, and by the tolerance of the conquerors this office was permitted to survive. In recent times, however, the Bulgarians objected to the Greek proclivities of the Patriarch, and in 1870 the Sultan of the day, quick to seize an opportunity of sowing dissension among his subjects, recognized the separate existence of the Bulgarian church by permitting the establishment of a Bulgarian Exarch at Constantinople. The strife of contending races was henceforth embittered by religious discord.

Language is another test of nationality. The Greeks speak modern Greek; the Serbs speak one Slavonic dialect; the Bulgarians another; Rumanian is a Latin language; Albanian, like every other institution of that strange race, is a thing apart. Each of the contending nations strove to establish its superiority in this test by intriguing with the Sultan for the grant of separate schools, which too often became the scenes of outrage by the rival *komitadjis*. Even distant Rumania applied for and obtained Wallachian schools for the scattered Kutzo-Vlachs of the Turkish

## The Balkan War and the Balance of Power

provinces, who were taught to consider themselves not, as they had always believed, a kind of Greek, but a persecuted remnant of the Rumanian nation. The Sultan himself was always ready to throw down the apple of strife.

Neither race, religion, nor language, therefore, affords a satisfactory basis for the partition of the newly conquered territories. The rights of conquest cannot help us either. It would be unfair to allot to each state the regions which happen to be occupied by its troops, for they obviously depend on the military exigencies of the joint plan of campaign. Nor does it appear that a solution was provided by previous agreement between the allies. There was, indeed, a treaty between Bulgaria and Servia, concluded in 1912, but Servia has argued strongly that it is inapplicable to the present situation. With Greece, so far as is known, no agreement was made at all. The division of the spoil, in fact, is still to be arranged. Heated feelings have been engendered, and blood has already been shed. Whether a peaceful settlement will be reached is even yet uncertain. The main points in dispute between the allies apparently are, first, the line along which the frontier between Servia and Bulgaria is to be prolonged, and second, the question whether Greece or Bulgaria is to have Salonika, the principal seaport in the northern *Ægean*. Rumania, moreover, has demanded territorial compensation—it is not quite clear for what—from Bulgaria.

These questions the allies may be left to fight out among themselves. They do not closely concern any of the great European powers. There are, however, two matters connected with the settlement which do. The first is the fate of Constantinople. This ancient seat of empire commands the passage of the Bosphorus and the Dardanelles and thus controls the access of Russia to the Mediterranean. Any change in its ownership might involve far-reaching consequences, which cannot be guessed, but which are feared by all. In the interests of the Concert of Europe, therefore, it was necessary to insist that not only Constantinople, but



## The Balkan War and the Balance of Power

also the peninsula of Gallipoli, should be preserved to Turkey.

The second question of European importance concerns the Adriatic coast. Both Austria and Italy were resolved not to tolerate the presence of another naval power in that semi-inland sea, which might paralyse or impede the action of their fleets in time of war. It was in pursuit of this policy that Austria, in the settlement of 1878, had appropriated the Dalmatian seaboard as far south as Spizza; and she was determined not to allow Servia to obtain access to the sea. Servia and Montenegro had other ideas. Both coveted a maritime outlet, and Albania with its coast-line became in consequence a bone of contention. So far as race, language or religion, or even the desires of the inhabitants themselves are concerned, the claims of the two Serb powers to Albania rest on the slenderest foundations. The Servians and Montenegrins had, however, made great sacrifices to attain their object, and invoked the assistance of Russia as a kindred Slav power. The question threatened to degenerate into a trial of strength between Austria and Russia, which might have had most serious consequences, but fortunately counsels of moderation seem to have prevailed. The Albanian question cannot, however, be said to be finally settled, owing to the peculiar character of the Albanians. Nobody has yet succeeded in governing them, and the task of setting up a civilized state in this wild country is likely to be a source of trouble to the powers concerned.

Another question which the war has raised but not settled is, What is to become of the remnant of the Turkish Empire? At the height of their power the Sultans reigned in three continents. They have already lost their hold of Europe and Africa. What will be their fate in Asia? The position of Turkey in Asia bears a disquieting resemblance to that of Turkey in Europe before the war. The home of the Turk is central Anatolia, which may be called the core of his dominion. On the western coast is a fringe of Greeks, who,



## The Balkan War and the Balance of Power

like the Cretans and other islanders of the Ægean, may be expected to turn their eyes with increasing fervour to their kinsmen in Europe. To the east are the Armenians, who have already made some futile efforts for independence, and the Kurds, a collection of Moslem nomads of Persian descent, who have always worn the Sultan's yoke but lightly. Further south, the Turk is a foreigner in Syria and Mesopotamia, while Arabia is generally in revolt. How long will the vanquished and demoralized Ottoman retain his mastery of this heterogeneous crew, and will he be allowed to settle the problem for himself unhampered by outside interference? Russia may not be able to resist the temptation to territorial expansion along the shores of the Black Sea and the Caspian. Germany is already suspected of combining political aspirations with the construction of the Baghdad railway. England cannot afford to allow Asia Minor to fall exclusively under the influence of any great power, for the Turkish dominions in Asia are bounded on one side by Egypt and on another by Persia, in both of which interests of vital importance to the British Empire are involved. There is but too much reason to fear that before long Europe may be called upon to assist at the death-bed of another sick man.

Enough has perhaps been said to indicate some at least of the problems more immediately connected with the settlement of the Balkan war. One conclusion at least may be drawn; that is that the war has not succeeded, as is sometimes supposed, in settling all the problems of Eastern Europe. It is now time to consider the effect of the war on the general European situation, on the grouping of the great powers, and on the policy of the British Empire. If we are to do this, we must approach the subject from a different point of view, and consider first what have been in the past, and what are now, the underlying principles of British foreign policy.

# The Balkan War and the Balance of Power

## II

THE main preoccupation of British foreign policy is that no foreign power should become so predominant over all others as to be able to devote its whole strength, without fear of molestation from any other quarter, to the destruction of British power. The reason for this preoccupation is that the British Empire has already got as much as it requires in the way of territory and markets—at any rate, it has no desire to improve its position by an aggressive war. All that it wants is peace and security in which to develop the resources it already has and to increase the numbers, prosperity and happiness of its people. No other great power, except perhaps the United States, is in this fortunate position. Most of the important states of the world are becoming more or less rapidly industrialized, and in the process are realizing more and more the want of fresh sources of supply of the raw materials of industry, fresh markets for their finished products, and greater space for the expansion of their populations. All these things they want, but have not got, and nowhere in the world could they find ampler means for the satisfaction of these needs than in the Dominions and Dependencies of the British Crown. The British Empire, more than any other great power, is interested in keeping things as they are, and therefore in preserving the peace of the world. Great Britain has nothing to fear from the attack of a single power, but it is of vital importance to her that no power should be able to command the military strength and resources of the whole of Europe. Her policy, in fact, is, as it has been for the last four hundred years, the maintenance of the balance of power. The meaning of this principle was discussed in the last number of *THE ROUND TABLE*.<sup>\*</sup> Suffice it to say here that the policy is of world-wide and not of merely European application, for the preponder-

<sup>\*</sup> "Policy and Sea Power," *THE ROUND TABLE*, No. 10, March, 1913



## The Balkan War and the Balance of Power

ance of any other power or group of powers in any quarter of the globe would be fraught with danger to every portion of the King's Dominions and Dependencies. At the present time, however, Europe contains most of the great military nations of the world, and it is therefore in Europe that the balance of power requires the most careful attention to maintain it.

The application of the principle of the balance of power depends on the quarter from which that balance is threatened. In the latter part of the nineteenth century the danger came from Russia, whose Asiatic expansion threatened the defences of India as well as the security of the neutral markets in the Far East. The Japanese Alliance was intended to balance this growing power, and the defeat of Russia by Japan, which that alliance made possible, dispelled the Russian danger, at any rate for the present. The outstanding fact of the present generation, however, has been the rapid growth of German power. It began with the consolidation of the disunited German states of central Europe into one great Empire, after crushing defeats had been inflicted in turn on Denmark, Austria and France. The empire thus formed then fortified itself against the jealousy or revenge of its European neighbours by means of the Triple Alliance with Austria-Hungary and Italy. Not content with the predominant position thus secured in Europe, Germany next aspired to assert her influence and protect her interests in other quarters of the globe, and with this object embarked on a gigantic and still unfinished programme of naval construction. To restore the balance of power, which this active policy had to some extent disturbed, the remaining great powers were driven to take concerted action. France and Russia contracted the Dual Alliance, the strength of which, however, was seriously impaired by the defeat of the latter in the Russo-Japanese war of 1905. In 1905, when the resignation of M. Delcassé as foreign minister was forced on France, and again in 1908, at the time of the Balkan crisis of that year, the Dual Alliance sustained humiliating



## The Balkan War and the Balance of Power

diplomatic defeats at the hands of the Triple Alliance. The balance of power was in serious danger, and, as it is essential to her security that France should not be crushed,\* England was compelled to engage herself more and more in supporting the Dual against the Triple Alliance. The Triple Entente came into being, and it is generally understood that, at the time of the Agadir incident of 1911, England was prepared to assist France and Russia in case of war, not only with her fleet, but with an expeditionary force on the Franco-German frontier.† The question now is whether any new features have been introduced into the European situation, either by the Balkan war or by other recent events, which call for any change in British policy.

The most obvious question is, What will be the position in European politics of the states of the Balkan League? They have succeeded in combining effectively for the destruction of their secular common foe. Now that he has disappeared, will the combination survive? Certainly in the past they have not always been a happy family, and hardly any two of them have always been friends. Servia declared war on Bulgaria in 1885 for practically annexing Eastern Rumelia, and is shrewdly suspected of having at one time instigated rebellion in Montenegro. Rumania broke off diplomatic relations with Greece on the question of the Kutzo-Vlachs in Turkey, and has recently had an acrimonious discussion with Bulgaria over a rectification of her frontier. The reprisals of Greek and Bulgarian bands in Macedonia strained the relations of the two kingdoms, and in

\* Contrast the following: "In one way or another, *we must square our account with France* if we wish for a free hand in our international policy. This is the first and foremost condition of a sound German policy, and since the hostility of France once for all cannot be removed by peaceful overtures, the matter must be settled by force of arms. France must be so completely crushed that she can never again come across our path." Von Bernhardi, *Germany and the Next War*, Chapter V. Of course it would be misleading to assume that expressions of private opinion like this accurately represent the policy of foreign governments.

† See "Britain, France and Germany," THE ROUND TABLE, No. 5, December, 1911.

## The Balkan War and the Balance of Power

1897 Bulgaria remained neutral in the Græco-Turkish war. We cannot dismiss the matter by saying that all the Balkan peoples are of one race—even if that were true, which it is not—and therefore must combine. In character, no less than in race, there are in fact considerable differences between the various Balkan peoples. The Greek is one of the most successful traders of the Levant, that marketplace of sharp wits. Supple, persistent and intriguing, he is still the *Græculus esuriens* of Juvenal. The Servians, who have been called the French of the near East, are a volatile and emotional race, more suited to agitation than to serious work. The Albanians are, to all intents and purposes, uncivilized. The Bulgarians are a race of steady and slow-witted peasants, who have been called the Prussians of the East. Rumanian society differs from that of the other states in still possessing a native aristocracy such as elsewhere disappeared under the Turkish domination. Moreover, the Balkan powers are but children in the family of constitutional states. They have the forms, but hardly yet the spirit, of democratic institutions. What King Ferdinand or M. Venezelos thinks or wishes is of more practical importance than the vague aspirations of thousands of the people they govern, and it is a noteworthy fact that the rulers of three out of the five states of the peninsula are not drawn from the races over which they reign. The Kings of Rumania and Bulgaria are Germans, the King of Greece is a Dane. The policy of countries thus governed is more likely to be dictated by expediency than by sentiment.

Whether enlightened self-interest will lead the Balkan states towards or away from a policy of closer union it is hard to say. On the one hand, economic interests and the fear of external aggression may bind them together. On the other hand, disputes over the division of the spoils of war may do the opposite. The lesser states, moreover, may well fear that too close a friendship with a more powerful neighbour may result in virtual subordination, and one or



## The Balkan War and the Balance of Power

more of them may even be led to look outside the peninsula for alliances to counterbalance an adverse combination nearer home. No one can be certain, but the prospect of a continuance of the Balkan League is at any rate doubtful. Even if it were maintained, its importance in European politics can easily be exaggerated. The League has emerged victorious from a bloody war with a great increase of territory and prestige. But the cost has been tremendous. The loss of men has been huge in proportion to population, and, even allowing for the fact that the Balkan countries have hardly outgrown a primitive stage of economic organization, one cannot doubt that they will be crippled financially for a considerable time. While their armies are still mobilized they are undoubtedly dangerous to one another, but when once peaceful conditions have been restored, it is pretty certain that the task of recuperation will occupy for a long period all their energies and attention, and they are not likely to occupy an important place in European politics in the near future. Certainly the idea that they will all follow obediently, like "little brothers," in the train of Russia, as the head of the Slav family, may be dismissed as chimerical. They have all had occasion in the past to rue the too brotherly interest which Russia has taken in their internal affairs.

Connected with the question of the future action of the Balkan states is the problem of Austria-Hungary.\* This extraordinary Empire is held together by one of the most remarkable and delicate systems of checks and balances that the world has seen. The union of the Monarchy was largely the result of Turkish pressure in the past: in may be held together by Russian pressure in the future. One of the main objects of the system is to maintain the joint

\* The effect which any change in the Balkan situation might have on Austria was discussed in an article on "The Balkan Danger and Universal Peace" in *THE ROUND TABLE*, No. 6, for March, 1912. It may be interesting to refer to that article in order to recall the opinions then held as to the situation which has since arisen.



## The Balkan War and the Balance of Power

supremacy of the Germans and Hungarians, and to secure this the vast conglomeration of miscellaneous races which compose the rest of the Empire is kept to a great extent in a position of political inferiority. Included in this mass are some 6,000,000 southern Slavs, closely connected in race and language with the Serbs of Servia and the rest of the Balkan peninsula. They inhabit mainly southern Hungary, Croatia, Slavonia, Bosnia and Herzegovina, their northern boundary being roughly the River Drave. Consequently they are in close touch with their kinsmen across the frontier, and the victories of the war must have given a great impetus to the feeling of Servian nationality. The Austro-Hungarians have a good deal of experience of maintaining their authority over other races, and the southern Slavs have not hitherto shown much aptitude for successful political action. It would be too much to say that there is at present any very serious danger from the movement for incorporation with Servia, but it cannot be denied that the new situation has added materially to the anxieties of the Dual Monarchy.

It is impossible to say how the danger, which undoubtedly exists, of a Pan-Servian movement will be met. One conceivable line of action is that the Monarchy should try to conciliate the Slavs of Austria-Hungary by what is known as *Trialismus*. That is to say that, by a revision of the constitution and a rearrangement of the component states, the present dual system should become tripartite. To the two races, German and Magyar, which at present control the Empire, the Slavs should be added as another partner. The eagle with two heads should acquire a third. In this way the Monarchy would assume a definitely Slavonic colour, and might even aspire to an hegemony of the Balkan states. This, however, would be an heroic policy, and there are countless difficulties to be overcome before it can be seriously considered. For one thing it does not provide for the northern Slavs—the Czechs of Bohemia and the Poles of Galicia—who are separated from their

## The Balkan War and the Balance of Power

southern kinsfolk by a non-Slavonic belt of Germans, Magyars and Wallachians.

Another conceivable outcome of the present situation might be that Austria, ground between the upper and nether millstones of the kindred Slavonic powers of Servia on her southern and Russia on her north-eastern frontier, might be compelled, or in despair decide, to abandon the task of controlling her Slav population, and fall back upon the support of her kinsfolk and allies in the German Empire. In such a step the Germans of Austria might perhaps carry with them the Magyars of Hungary, another ruling race which could not afford to stand alone against the rising tide of Slavonic expansion. The Slavs of Austria-Hungary would then either have to form a new state or enter into some combination, the vaguest outline of which cannot yet be imagined. All this is a dream, the fulfilment of which no man can prophesy. Its possibility, however, cannot be overlooked in an attempt to guess the line of future development.

Turning now from the particular cases of Austria and her Balkan neighbours, let us consider how recent events have affected the position of the Triple Alliance as a whole. If we wish to know Germany's view we cannot do better than quote from the speech of the German Imperial Chancellor in the Reichstag, when discussing the new Army Bill. He said:\*

One thing remains beyond doubt: If it should ever come to a European conflagration which sets *Slaventum* against *Germanentum*, it is then for us a disadvantage that the position in the balance of forces which was occupied hitherto by European Turkey is now filled in part by Slav states. . . .

The racial antagonisms between Slav and German will not by themselves lead to a war between us and Russia. We, at any rate, shall never stir up such a war, and I do not believe that those who at present hold power in Russia will ever do it. It is, however, as well known to the Russian statesmen as it is to us that the Pan-Slav currents, about which Bismarck even in his day complained, and

\* *The Times*, April 8, 1913.



## The Balkan War and the Balance of Power

which caused him uneasiness, have received a powerful stimulus from the victories of the Slav states in the Balkans. Bulgarian victories over the Turks have been celebrated in these quarters as victories of the Slav idea in contrast with the Germanic idea. Together with the real conflicts of interests, these tendencies have contributed to the tension which has prevailed this winter between Austria-Hungary and Russia. I need not refer to the excited controversies between a part of the Russian and the Austrian press. In these passionate disputes we hear the echo of old differences which the Balkan problem has caused to arise between Austria-Hungary and Russia. As loyal allies of Austria-Hungary, we endeavour as far as possible to mitigate the tension, but that does not allow us to bury our heads in the sands. For, as I need not insist, we preserve our loyalty as allies not only within the range of diplomatic mediation. Because of the new and acute revival of racial instincts, the alteration of the politico-military situation which has arisen from the Balkan war acquires an increased significance. We are compelled to take it into account when we think about the future. . . .

. . . They had now [he continued] to consider the whole grouping of the powers. He was convinced of the great value for peace of the Triple Alliance, which had been renewed and was as solid as ever, but even with the Triple Alliance and precisely as that power of the Triple Alliance which was most advanced towards east and west, Germany was, like no other country, "wedged in between the Slav world and the French." . . .

. . . In Russia there was a most marvellous economic development of the giant Empire with its inexhaustible natural resources, and an army reorganization such as Russia had never known, as regarded the excellence of material, the organization and the speed of conversion from peace to war strength.

It will be seen that Herr von Bethmann-Hollweg referred to three grounds for German uneasiness: first, the downfall of Turkey in Europe; secondly, the stimulus given by the war to "Pan-Slav currents"; thirdly, the growth of Russian power.

The Turkish military power, as we can now see, would not have been of much use to her friends in a European conflagration; while on the other hand the Balkan states, as already pointed out, are not likely, owing to their mutual dissensions and the exhaustion of the war, to be an important factor in European politics for some time to come. Still, there is no doubt that Germany did count on some



## The Balkan War and the Balance of Power

assistance from Turkey in time of need,\* and Austria-Hungary undoubtedly regards the Balkan League with apprehension; so that the changes in the situation directly caused by the war, for what they are worth, are adverse to the Triple Alliance.

As regards the second point, there has undoubtedly been a growth of Pan-Slav feeling in Russia. The Russian government is evidently anxious for peace, but, in spite of its despotic character, it is peculiarly liable to be carried away by gusts of national feeling, and it has already found it advisable to issue a statement pointing out "the importance of the service rendered by Russia towards the Balkan states." It is difficult to estimate the strength of this kind of national sentiment, but it must be taken into account as an element of danger in the situation.

The growth of Russian power, and the change in the European situation brought about by the war, were the two arguments used by Herr von Bethmann-Hollweg in commending the new army budget to the Reichstag. That measure, however, though published only in the spring of this year, must have taken a long time to prepare, and the policy must therefore have been practically settled before the war even began. The inference is that it was not so much the war as the rapid recovery of Russia from her troubles of a few years back, that mainly inspired this measure.

We have now discussed in the light of recent events what may be called the political side of the international situation. It remains to compare briefly the military forces and methods by which the great powers may be expected to support their various policies. For diplomatic questions are not settled by principles of charity or equity, and a correct estimate of contending forces is essential to a successful policy.

\* "She [Turkey] is our natural ally. . . . The wisest course would have been to have made her earlier a member of the Triple Alliance." (*von Bernhardi, loc. cit.*)

# The Balkan War and the Balance of Power

## III

THE German army budget provides for an initial expenditure of £52,500,000, and an additional annual outlay of £9,000,000. The official explanation of the estimates submitted to the Reichstag is as follows:

By reason of the events which are taking place in the Balkans the balance of European power has been shifted. In a war which might be forced upon her Germany has possibly to protect against several enemies frontiers which are extended and by nature to a large extent open. In consequence of the alterations that have taken place it is to-day more than ever our supreme duty to make this defence as strong as our population allows.

The strength of our army has not altogether kept pace with the growth of our population. Some part of our population that is capable of bearing arms remains at present untrained. Universal service is, however, the best proved basis for the strength of Germany. Only if it remains a reality can we look to the future with the sure feeling of duty done and of firm confidence. In that case, moreover, the army remains young and we are not compelled in the event of war to send the older classes—men with wives and children—at once and in the front line against the enemy while young and serviceable men stay behind and have to be trained for the first time when the peril is upon us.

The main idea of the bill is, therefore, the development of universal service according to the extent of population.

The new proposals seem to have two main objects: first, an increase in peace cadres and the formation, in peace time, of units which previously were only to be raised on mobilization; secondly, a considerable addition to the fortresses on the Russian frontier. The result of the first proposal is not to augment, to any great extent, the total number of troops which Germany could put in the field, but to increase the numbers maintained with the colours on a peace footing, and thereby greatly to improve their efficiency and make them more quickly available in time of war.

The French Army bill, which is the answer to the German bill, provides for an immediate outlay of about £3,000,000,



## The Balkan War and the Balance of Power

and a further expenditure of £16,800,000. This money is to be spent partly on fortresses and partly on improvements in the artillery and aeronautical services. The main feature, however, is the proposed extension of the period of military service to three years. This measure, like the German bill, is designed to increase the peace establishment, rather than the total numbers, in such a way as to leave the relative situation much as before.

The most interesting point, especially so far as future developments are concerned, is the difference in the method of obtaining similar results. The Germans for some years have made a less severe call on the manhood of the nation, and they can therefore obtain their increased peace strength by taking a larger yearly proportion of the available men, leaving the length of service with the colours unaltered. On the other hand, the French have been taking into the army practically every man they could, and were consequently unable to increase their peace strength except by lengthening the period of service. Under the new proposals, therefore, France will be arming very nearly to the utmost possible limit, whilst Germany is not making the same effort, and can still produce larger numbers. Another interesting feature is that both the German and the French War Offices seem deliberately to have preferred an increase in efficiency to an increase in gross numbers. Modern continental armies are already so huge that the problem of handling them is one of growing difficulty.

We must remember that a nation's military strength cannot be estimated solely by the number of battleships or army corps which can be employed. Financial resources, the degree of direct and organized control exercised by the Government over the various services of the State, the relative positions of frontiers and fortresses, the topography of the tracts of country available for operations, as well as the efficiency and spirit of both the men and their leaders, have all to be considered. It is, moreover, very difficult to estimate the number of men which any power can really



## The Balkan War and the Balance of Power

put in the field.\* Figures of army corps seem to bear little relation to the number of trained men available. Lastly, war is not an exact science, and anything may happen. Few things are more misleading than "arithmetical warfare."

With this proviso, it is interesting to consider what would be the probable developments in the early stages of a war between the Dual and the Triple Alliance, should such a catastrophe unfortunately take place. In what follows it is assumed that Germany or Austria-Hungary, as the case might be, could count on the help of the other members of the Triple Alliance, and that France and Russia would similarly support one another, though it must be remembered that the exact circumstances in which the various powers are bound to assist their allies are not publicly known.

It is clear that a war on land between the Triple and the Dual Alliance would be waged in two distinct theatres of operations. The Triple Alliance, wedged between France and Russia, must face both ways. On the eastern side the problem for Germany and Austria-Hungary consists in deciding what number of divisions must be employed against the Russian troops and what number must be kept to watch, or, if necessary, act against the Balkan states. The action of the latter, as pointed out above, is quite uncertain; but this very uncertainty may prove a trouble to Austria-Hungary. Moreover, the composition of the Austro-Hungarian army, containing as it does so large a proportion of Slavs, makes it difficult for her to count with certainty on employing her forces against either Russia or the Balkans in accordance with

\* The total number of men available cannot be put into the field by any continental nation. In order to be efficient in the field, men must be organized into formations, capable of movement and complete with artillery, etc., and means of supplementing ammunition and supplies. Moreover, certain industries, the railways, postal and other services, must be kept effective, internal order must be maintained, the elder men are best excused the first heavy fighting, and, lastly, an organization must exist to replace the casualties in the field armies. As an example it may be mentioned that Germany on mobilization has some one and a half to two millions of available trained men who are not included in any of her effective field armies.

## The Balkan War and the Balance of Power

purely strategical needs. Probably, therefore, she could not dispose of more than half her army for direct action against Russia, and Germany would have to make up the balance required. What this balance would be it is difficult to say. It must be remembered that the Russian arrangements for mobilization and concentration are probably not so complete as those of other powers, and she would not be able to exert her whole strength in the first few weeks of war. Moreover, the new fortresses contemplated by the German Army bill are presumably intended to hold back a Russian advance. The German General Staff has indeed been credited with the plan of first hurling their armies on France to crush her, and then hastening back to meet Russia. The plan is enticing on paper, but war is so uncertain, and the mere transportation problem is so difficult, that it is hardly likely to be adopted. On the whole it is probable that Germany would have to detach a very considerable force to guard her eastern frontier.

The position of Italy, the third member of the Triple Alliance, is somewhat uncertain. She is sometimes supposed to be a rather lukewarm partner, and her relations with Austria have certainly not always been as cordial as they might have been. She is, besides, now engaged in a military adventure in Tripoli, from which she could not withdraw, and may become further involved in Albania. Probably therefore she could not act against France with either the strength or the vigour which would be desired in Berlin. It is even possible that her attitude might be so doubtful as to compel Austria to detach troops to watch the Italian frontier. France, of course, would have to do so in any case.

In the western theatre of operations, according to instructed opinion on the continent, it appears that, after allowing for the force required to make up the balance against Russia on her eastern frontier, Germany could still put in the field a somewhat greater number of troops than France. Everything seems to indicate that Germany would attempt to take the offensive against France. Such a course



## The Balkan War and the Balance of Power

is in accordance with all the teaching of the German General Staff, with such preparations as are known, and with the strategical necessities of the case.

An examination of the French frontier from Luxemburg to Switzerland, a distance of 140 miles, shows the difficulty of a German direct attack.\* Of this extent only some forty miles are not fortified. From the Swiss frontier to Epinal runs one practically continuous line of fortifications; north of Epinal is a gap of twenty miles to near Toul, whence another line of forts continues to Verdun, which is about twenty miles from the Belgian frontier. If, therefore, Germany were to attack France across the frontier actually common to the two countries she would have an almost impossible task, or at least a dreadfully costly one, in forcing this line and in employing a mass of probably well over a million men in a space of 140 miles. If the Germans consider that they cannot go through, they would certainly try to get round; and it is hardly likely that the rights of smaller nationalities would be held sacred by either side if there was any advantage to be gained by violating them.

If the actual Franco-German frontier is to be turned, it can only be done by crossing the territory of either Switzerland or Belgium, or possibly of both. An advance through Switzerland must move south of the French quadrilateral, Belfort-Besançon-Dijon-Langres. If made in considerable force, it would be dangerous to France, as it would cut the northern French armies off from the supplies and support of southern France, but it would be liable to utter disaster if defeated, owing to the presence of the above-named quadrilateral on its flank. On the whole, if we consider the nature of the country and the probable attitude of the Swiss themselves, a German advance in force through Switzerland seems possible but doubtful.

The violation of Belgium by Germany, however, stands on quite a different footing. It may be regarded as a practical certainty in the event of war. The map shows how the small

\* See map facing.







## The Balkan War and the Balance of Power

point of Holland which includes Maastricht protects the north and north-east sides of Belgium. If only Belgium is to be violated the German armies must cross south of Maastricht. Some years ago the Germans completed a series of detraining stations on their railways close to the Belgium-Luxemburg frontier. These miles of sidings deal with no traffic in peace time; they can only be meant to teem with troops in war. An advance across Belgium and Luxemburg, north of Verdun and south of Maastricht, turns the French frontier fortresses and leads direct on Paris. From the southern frontier of Luxemburg to the defences of Liège in Belgium is a distance of about seventy miles, and a turning movement by superior German numbers through this opening would place France at a considerable disadvantage.

The attitude that might be adopted by Belgium in such a war is therefore a matter of great importance to France. If Belgium is actively with Germany the fact will be worth far more to the latter than merely the addition of the Belgian field army to her strength. In the first place no detachments would be required, such as would be essential in a hostile country. In the second place the German advance would gain enormously in rapidity and freedom of movement if all the administrative facilities of the Belgian Government were placed at its disposal. On the other hand, French action in Belgium would be correspondingly hampered. If Belgium were definitely ranged on the side of France, the position would be reversed. If Belgium remained neutral, the difficulties in the way of the German advance, though greater than in the first case, would not be insuperable. Unaided, Belgium would not be able to protect her territory from violation. Liège, which is indifferently garrisoned in peace, might be "jumped" very early in the war, and with that place held or masked, the German armies could secure their flank by masking Namur and the bridge-heads over the Maas. Indeed, there is a considerable body of Belgian opinion which holds that in her own interests Belgium should treat



## The Balkan War and the Balance of Power

all the country south of the Sambre and the Maas as a sort of no-man's-land where the bigger powers can fight it out among themselves. Unable to protect herself unaided, no wonder Belgium wishes to sit on the fence and side with the winner.

There is a further point to be considered. It is possible that Germany would make the turning movement through Belgium on an even wider front than we have supposed. She might wish to march troops through the space between Liège and Antwerp; to do this she must pass through Holland. In that case Dutch, as well as Belgian, territory would be violated; and the same considerations as have been pointed out in the case of Belgium would apply.

What will be the position of Great Britain in this hypothetical Armageddon? It is quite clear from the statements of Ministers that she is under no treaty obligation to intervene in a European war, and this fact is a great safeguard of peace. It is, however, essential to her security at the present time, as has been pointed out above, that France should not be crushed, and the foregoing analysis of the military situation goes to show that without British assistance France, even if backed by Russia, would probably be in a position of inferiority in a war with the Triple Alliance. If it was decided that help should be given, the form it would take would depend on circumstances. England is primarily a naval power, and the greatest assistance she could give France would be that of her fleet. This would be of immense value. It would at once neutralize the German naval superiority, would prevent a blockade of French ports, and would keep open France's communications with her African garrisons. If Germany violated the territory of Belgium or Holland or both, the British fleet could bring powerful indirect pressure to bear by cutting off supplies from Dutch and Belgian ports. Indeed, the importance to Germany of receiving supplies through neutral ports might be so great that the fear of such a blockade might of itself deter her from violating the neutrality of

## The Balkan War and the Balance of Power

Holland, though for the reasons given above it would hardly suffice to protect Belgium.

Naval action in itself, however, is not sufficient to decide a European war. Trafalgar was followed by Austerlitz and Jena, and England had to undertake the Peninsular war before she was secure from the domination of Napoleon. It might be that in spite of the British fleet Germany would persist in crossing the Belgian frontier, and Great Britain would be faced with the question of assisting the other members of the Triple Entente with an expeditionary force. As we have seen, Belgium is the key to the French defence. A British expeditionary force of six divisions would certainly not be a negligible factor in that defence, especially as its presence would probably decide Belgium to throw in her lot with France, with the result that for every British soldier landed a Belgian would be found fighting by his side. It is to this point, therefore, if at all, that British reinforcements would probably be sent; and it must be borne in mind that, if help so given is to be of any real use in assisting France or influencing Belgium, it must be given at the beginning of the war.

But Great Britain has an even more vital interest in the defence of Belgium and Holland. If she stood aside, these two countries might be compelled to side with Germany, and the probability of a French defeat would be increased. The result of such a war would probably be the establishment of a German domination in the Low Countries, even if they were not actually annexed. The Scheldt is 300 miles nearer England than Wilhelmshaven, and the Dutch and Belgian coast might be turned into a formidable base for naval operations against Great Britain. The balance of power would be permanently upset, and Britain's naval supremacy would be gravely imperilled.

To sum up, Great Britain is not committed to intervention in a European war in any shape or form. There are, however, circumstances in which she might find it necessary



## The Balkan War and the Balance of Power

to take part, certainly with her fleet, and possibly also with her expeditionary force, in order to maintain the balance of power. Readiness for such a necessity is the best safeguard of international peace.

One other point. When the question of British intervention in Belgium is mooted, it is commonly objected that, owing to the fear of invasion, we cannot spare our regular army abroad. In such a land war as we have been discussing, an invasion\* in force of Great Britain is, to say the least, unlikely at any time near the beginning of hostilities. For one thing, Germany, at war with both France and Russia, might not have enough good men to spare; for another, the presence of the British fleet would make the attempt too risky. In any case, the prompt dispatch of the expeditionary force would probably be the best means of preventing an invasion. Raids stand on a different footing. If by sacrificing, say, 10,000 men within about six days of the outbreak of war Germany could delay or prevent the dispatch of the whole British expeditionary force, she would bring off a strategic stroke of the greatest value to herself. She would thus prevent a very large force acting at the decisive time and place by means of a quite immaterial loss. Raids of this kind would therefore have to be expected, but they ought not to achieve their object of compelling England to lock up her army at home. In this case, too, the offensive is the best defence. It is not, of course, suggested that a home army is not required. Such an army is essential to garrison the naval ports, repel raids, replace the casualties in the expeditionary force or reinforce it, preserve order and confidence, and last, but by no means least, to protect Imperial interests in other quarters of the globe. The British military problem must never be looked at through purely European spectacles.

\* A great deal of confusion has arisen in discussions of this subject because of a lack of appreciation of the distinction between a "raid" and an "invasion." A raid is a small force of, say, 5,000 men, meant to cause alarm or despondency. An invasion is a large armed force, properly equipped, meant to subdue and conquer the country. The whole question is understood to be now under consideration by a sub-committee of the Committee of Imperial Defence.



# The Balkan War and the Balance of Power

## IV

WE have now done what we set out to do, and surveyed rapidly the effect of recent events on the balance of power. The upshot seems to be this. So far as Germany is concerned, certain hopes, based on the possibility of Turkish aid, have been frustrated. The support which Austria could give her in case of war has become more doubtful. Russia is recovering from her defeat by Japan, and is once more becoming formidable. France is increasing her military preparations. But all these things have only spurred Germany to fresh efforts. In the race for military superiority she can go faster than Russia, and further than France. With her allies she is still the strongest power in Europe. France has to some extent shot her bolt, and can do no more than she is doing. German preparations, both naval and military, have not yet exhausted her resources. Russia's strength is growing, but more slowly, and the next few years will therefore be a period of great anxiety. It is clear that the balance of power is still inclined against the Dual Alliance, and that, if equilibrium is to be maintained, Britain cannot yet afford to depart from her present policy of supporting the Triple Entente.

Circumstances, however, may change—are, in fact, changing so rapidly from day to day that no man can tell what is going to happen. We have been discussing the situation mainly in terms of the military forces of the various powers. But changes are also taking place in their respective naval strengths. Her efforts to improve her army may distract Germany's attention from naval development, and there is no doubt that Russia is spending huge sums on a new fleet. It may well be—though it would be idle to prophesy one way or the other—that in a few years time the balance of power will be threatened, no longer by Germany, but by the advancing strength of Russia. The chief danger then would be no longer the

## The Balkan War and the Balance of Power

German menace in the North Sea, but the Russian advance in Asia Minor, Persia or northern China. If Russian fleets were to appear in the Mediterranean, the Persian Gulf, or the Pacific, the problem before the British Empire would be completely changed. The balance of power would still have to be maintained, but the methods of doing so would be very different. All we can say now is that this danger has not yet arisen, but that it behoves our statesmen to be alert to see and meet any new developments.

There is one feature of the situation which must not be overlooked, for it is the only pleasant one. Allusion has been made to the self-denial of the great powers in not attempting to use the Balkan trouble for the purpose of securing individual advantages. It is this fact which has made it possible to keep the peace of Europe, and it is satisfactory to note that, according to the united testimony of both English and German statesmen, nothing has contributed more to this result than the sincere and hearty co-operation of these two powers. It is foolish to impute—as is too often done—unworthy motives or hostile intentions to the statesmen of other countries. On the other hand, it is blindness to suppose that the best of goodwill can alter the fundamental facts of national rivalry.

# MINISTERS AND THE STOCK EXCHANGE

## I. THE FIRST PERIOD

THE "Marconi Affair" may be a very trivial episode, or it may not; but since during the past three months it has engaged public interest to a greater extent than any other matter within the political sphere, it seems necessary that an attempt should be made to give some account of what has happened. It is always exceedingly difficult to deal fairly with current controversies; and the difficulty of doing so is immensely increased when, as in this instance, the controversy is one which affects personal character. And if it is difficult to deal fairly, it is still more difficult to produce the *impression* of fairness, even when the criticism itself is just, and when the intention of the writer is entirely free from malice. For to those who are criticized, and still more to their friends, the animus of the partisan is the first and most natural explanation of every unfavourable opinion which may be expressed. Consequently it has occasionally happened in the past that the selfsame article in THE ROUND TABLE has been condemned by members of both political parties on the selfsame ground,—that it was obviously inspired by the prejudice of a political opponent!

There are two ministers and one ex-minister whose transactions it will be necessary to consider in this article: the Chancellor of the Exchequer, Mr Lloyd George; the Attorney-General, Sir Rufus Isaacs; and the late Chief



## Ministers and the Stock Exchange

Whip, Lord Murray, who until recently was known as the Master of Elibank. These three gentlemen are not merely political allies, but very close personal friends, and this fact is not without its bearing on the case. Lord Murray was one of the shrewdest Whips who ever served a political party; and as he is also a man of kindly disposition and one who always treated his opponents with courtesy, he is well regarded on both sides of the House. Sir Rufus Isaacs has won his way by sheer ability and character to the head of the English Bar. He is not merely admired for his exceptional abilities in a vocation where great intellectual endowments are by no means uncommon, but is respected and trusted for the unblemished integrity of his character by a profession which is disposed to carry strictness to the verge of severity. And with most of us the good opinion of those with whom we have worked, and against whom we have contended from the first early struggles of youth on through the best years of our life, is an incomparably more precious possession than the estimate formed of us by the world outside—a world which knows our virtues and our faults only by repute and at second-hand, and which judges men as a rule, not over the whole course of their conduct, but on some particular incident which at a dramatic moment has happened to come within the circle of the limelight. Mr Lloyd George stands in a different position from either of the other two. As much as any man at present living in England, perhaps even more than any, he has excited political admiration and repulsion; but even his bitterest enemies, except when they are maddened and blinded by their animosity, will grant him three qualities that are among the most admirable which a public man can possess,—sincerity in the reforms which he has advocated, a remarkable warmth of human sympathy, and a courage which is one of the rarest attributes of the party politician.

The "Marconi Affair" has already created a literature of formidable dimensions. Everybody, except Lord Murray, who happens to be in some remote part of the South American Continent, has told his story with an unfettered

## The First Period

prolixity reminiscent of that famous epic, *The Ring and the Book*. But after all that has been said, some things of a purely financial character still remain vague and uncertain for want of further information; while others again are of a kind upon which the casual reader of the reports does not feel himself competent to form an opinion without assistance from some tribunal, expert or otherwise. With such matters as these this article is not concerned. There is no intention of attempting here to penetrate anything which is obscure, but only to offer a brief account of the various steps of the "affair," and to comment upon a few things which are already as plain as they can ever be, and which also, as it happens, are of the highest importance.

Ever since the beginning of the year 1910 certain *pour-parlers* have been going on between the British Government and the Marconi Company for the installation of a chain of wireless stations throughout the Empire—a thing which was unanimously agreed by all responsible persons at home and in the Dominions, to be in the highest degree desirable. These negotiations, however, did not get to real grips until the autumn of 1911; the tender of the Marconi Company "in general terms" was not handed to the Post Office until February 13, 1912; and it was not accepted by the department until March 7 following. Most of the important terms of this tender were immediately published in the press at the instance of the Marconi Company.

The First Period began at this date—February, 1912. Roughly speaking, it may be said to have lasted until the early days of August in the same year, when the Postmaster-General made a statement to the House of Commons and announced that for various reasons the Government would not ask for the necessary Parliamentary ratification of the final agreement which had been provisionally signed by the Post Office on July 19 until after the recess. The chief reason for delaying the discussion until the autumn was that a vigorous and apparently substantial opposition



## Ministers and the Stock Exchange

to the contract had developed during the spring and summer in various quarters. On this ground it was finally decided, though not without considerable pressure from both sides, that a matter of such importance ought not to be debated and hurried through at the fag end of an arduous summer session and on the very eve of the holiday adjournment.

During this period criticism was confined within comparatively commonplace limits. The real or supposed demerits of the Marconi system were attacked. The terms of the contract were alleged to be too favourable to the company. The Post Office was accused of having shown stupidity in allowing itself to be got the better of in a bargain by shrewd financiers. It was alleged that rival inventors had been treated with unfairness. Complaint was made of the long delay—over four months—which had elapsed between the time when the tender was accepted and the date when the contract was at length submitted to the House of Commons. It was also suggested that the time chosen for submitting it was the result of a deliberate and crafty calculation, and that at the jaded end of a peculiarly exhausting session its promoters had hopes of smuggling it through unobserved. And there were other criticisms of a more bitter though not perhaps of a more serious character. It was urged that there was grave impropriety in Mr Godfrey Isaacs, the managing director of the Marconi Company, having conducted negotiations with the Government, seeing that he was the brother of the Attorney-General, and that his relationship with that high official might very well have unconsciously influenced the Post Office in his favour.\* It was also urged that after the signing of the tender “in general terms” there had been a violent and discreditable gamble in Marconi shares which the Government had it in its power, in some way or another—presumably by some public statement—to have put a stop to had it chosen to do so.†

\* Precisely the same criticisms were urged in 1900 against Mr *Arthur Chamberlain*’s contract with the government in which his brother, Mr *Joseph Chamberlain*, was Colonial Secretary.

† See chart on opposite page.



[illegible]



## The Second Period

These criticisms gradually increased in vehemence between March, when the tender was signed, and August, when Parliament adjourned. They were the chief, if not the only criticisms which appeared in any serious paper, and it cannot be said that any of them were either illegitimate or scandalous. To anyone conversant with politics it will be seen at once that a certain number are of a class which forms the usual stock-in-trade of any Opposition. Of the remainder several were endorsed with vigour by Liberal journalists and speakers as well as by members of the Unionist party. It is true that during this period certain papers, neither Unionist nor Liberal, but free lances mainly of the Socialist complexion, had brought charges of a personal character against ministers. This, however, was not so uncommon an incident as to excite any particular attention, even among the *clientèle* of the papers in question, who were well used to a highly spiced diet; while the world at large, living in a separate air-tight compartment of its own, was for the most part serenely unconscious of their existence.

### II. THE SECOND PERIOD

THE Second Period, which began about the time of the Parliamentary adjournment, lasted until October 11, when immediately after the reassembling of the House of Commons, the Marconi Contract was set down for discussion. This period, which has been called the "calumny stage," was full of rumours. Most of the things which were then alleged were wholly untrue, and such of them as rested upon any foundation at all were lacking in what natural philosophers call stable equilibrium, for they were like a pyramid balanced upon its apex. Mainly they were current gossip, passing from mouth to mouth, or, in Mr Lloyd George's indignant phrase, "from one foul lip to another."



## Ministers and the Stock Exchange

But they were so circumstantial and so persistent that several Unionist papers, whilst they carefully abstained from accepting them, considered, rightly or wrongly, that their existence and their prevalence justified the demand for an exhaustive inquiry.

The gist of these rumours may be condensed into one brief sentence. In substance, the allegation was that the Marconi contract with the Government formed part of a corrupt conspiracy to run up the shares of that undertaking; and that certain ministers and their friends, working in the darkness of anonymity, and conducting their operations from the obscurity of foreign bourses, had used the opportunity to make huge fortunes whilst the gamble was at its height. Much doubtless will be said, much certainly requires to be said, about these rumours, and also about the part played by the press in dragging them into the light of day. But here it only seems necessary to remark that these rumours were untrue; and further that to anyone with the least knowledge of human affairs, the origins of them are no unfathomable mysteries—but on the contrary are of the most patent and obvious character.

The main origins are three.—There had been a prodigious, even a disgraceful, gamble in Marconi shares; and whenever there has been a great gamble it is obvious that as much money must have been lost as has been gained, and that at least as many people\* are ruing their transactions as are hugging themselves for joy. Losers are ever ready to imagine circumstances and to listen to rumours tending to prove that the wickedness and cunning of others, and not their own folly, have been the true causes of their misfortunes. Secondly these rumours, like hundreds of thousands of other similar rumours about men and women who live in the public eye, may be traced to the least obscure of all causes—to idleness and mischief, and to the human love of chatter, and bravado, and the affectation of omni-

\* Probably a great many more; for while the sellers are usually large and comparatively few, the buyers are small and many.

## The Third Period

science. Wise folk, unless they are driven to it, give no more heed to such rumours than they do to the little observant boys who hang over the river bridges and spit upon the passengers in County Council steamboats. One must have lived a long way from the Mile End Road, from Drapers' Gardens, and from Pall Mall if one's ears are at all startled by hearing the worst vices of mankind attributed even to the most blameless of public characters. The man-about-town in his club, and a certain type of business-man during the intervals of his toil, are not more industrious propagators and disseminators of this picturesque form of error than are Socialist orators round their committee tables, or the working-man at his public-house of an evening. Finally, although this fact did not become known until later, a series of transactions had actually occurred during April and May which was quite sufficient groundwork for malevolent imaginations to build upon. These transactions may not have been the *fons et origo* of all these calumnies, but it is rather hard for anyone who has had much experience of this great metropolis to believe that they were not. For the seed of rumour is like the grain of mustard seed, to which the Kingdom of Heaven is compared, for the reason, in Lord Bacon's words, that "although it is one of the least grains, it hath in it a property and spirit hastily to get up and spread."

### III. THE THIRD PERIOD

THE Third Period of the Marconi affair began with the debate in the House of Commons on October 11 last, and ended in March of the present year. It was a period of strong moral reaction against calumny, during which the "rumours" were blown sky-high. Nothing which could be called evidence, nothing which would hang a dog was forthcoming in substantiation of the rumours. Nothing was



## Ministers and the Stock Exchange

proved with regard to them except that they were prevalent—and this everyone knew before.

This debate in Parliament was the first serious discussion upon the Marconi contract. The opposition to ratification was led by Sir Henry Norman, the Liberal member for Blackburn, in a speech of great ability.\* He mentioned the existence of the rumours only to express his utter disbelief in them. His attack was grounded solely upon the merits—upon the respective merits of the Marconi and other wireless systems, and upon the merits, or demerits, of the terms of the proposed agreement. But although the greater portion of all the speeches was devoted to this aspect of the matter, the chief feature of the debate was the indignant denial of Sir Rufus Isaacs and Mr Herbert Samuel, and the still more forcible expressions of the Chancellor of the Exchequer with regard to the gossip which had been going about.

An inquiry was granted by the Government, and freely granted, into the whole matter—into the merits of the various wireless systems, into the advantages, or the reverse, of the contract which awaited ratification, and into the truth and the origins of the rumours with regard to cabinet corruption. But as to the latter, the debate seemed to most people to have pretty well knocked the bottom out of them already. A very few Unionist journalists, it is true, closely scrutinizing the terms of the ministerial denials, professed to see in them a want of completeness. But the public saw nothing of the kind. For the public ministers were not professors speaking by the book. Their honour had been assailed, and they were to be forgiven if the strength of their feelings had carried them away. If in their justifiable excitement they had not actually stopped every single rabbit-hole of innuendo, that was obviously through inadvertence, which might be readily excused. Their meaning was quite clear to any-

\* At a much later date a suggestion was made that Sir Henry had some interest, pecuniary or otherwise, in a rival system; but this, like other rumours, has been shown to be entirely untrue.



## The Third Period

one whose mind was not either naturally perverse, or else blinded by personal or party prejudice. If one had asked the man-in-the-street what conclusion he drew from this debate he would undoubtedly have said that he understood ministers to mean, not only that no shadow of corruption rested anywhere upon the whole episode, but that no minister had had any transactions whatsoever in Marconi shares during the recent notorious gamble. And the man-in-the-street would have added that he absolutely believed these ministerial assurances.

The proceedings of the Select Committee which was appointed to conduct the inquiry, deepened and strengthened this popular impression. During the autumn, winter, and early spring, it held many meetings, examined many witnesses, and the reports of its investigations filled many columns of the newspapers. Its procedure, however, has been slow and tortuous, and it has now arrived at the point when it has both wearied and exasperated public opinion. It may be admitted that it had great difficulties to contend against, but it cannot be said truly that it has surmounted them. At the beginning it had a vague, dreary and invidious task put upon it, while since its sittings began, new and unforeseen developments have created various diversions and distractions. It has not been able to go straight ahead, but has had to hark back and hunt about closer. Anything less like a tribunal of justice it would be impossible to conceive. There is no unity in it. It is not impartial, but is constantly divided—often angrily divided—according to its political sympathies. It has shown many, if not all, of the vices of those parliamentary committees which used to undertake the trial of election petitions, and which had to be abolished because of their flagrant partisanship. Its members have been lacking in candour one with another, and have not always put into the common stock information which has reached them from private sources. There have been occasions when the inquiry has even seemed to be lacking in decorum; and having begun in quite early

## Ministers and the Stock Exchange

days to be regarded as something of a laughing stock, it has arrived, after seven months of the most thankless labours, at being very freely abused by all sides as a scandal. The public judging mainly by results, and never taking difficulties fully into account, is apt in cases of this kind to mete out harsh measure. The Chairman and several of his colleagues, both Liberal and Unionist, have striven hard to make the inquiry both fair and fruitful. The fact remains, however, that the Select Committee has certainly not won golden opinions in any quarter as an effective instrument for the discovery of truth.

In the calumny stage, the charges against ministers were so gross, extravagant, and precise—their alleged sin was so black, their cunning so diabolical, their profits so enormous, and, it may be added, their stupidity so appalling, that any irregularity, peccadillo or imprudence which might conceivably in the end be brought home to any one or other of them, or to any of their friends or relations, would have seemed merely an absurd bathos. But in the period of moral reaction the apotheosis of ministers and the condemnation of calumniators was conducted upon such a lofty plane, and with such a superabundance of fervour, that if in the end it were to transpire that there had been, after all, some peccadillo, some bagatelle of human frailty, or any irregularity whatsoever, the speck was bound to show up most horribly against the dazzling whiteness of their virtue. And the calumniators would therefore reap a corresponding benefit. The blackness of their own guilt would be regarded as grey, and might even be mistaken for white. It is a mistake to overdo most things, but of all things the worst which can be overdone are praise and blame. In this case the attack was overdone, even supposing there had been considerable irregularities. The defence was overdone, supposing ministers to have been anything short of angels.

It is little wonder that many journalists are sick of the investigation, and are looking forward impatiently to the



## The Third Period

time when the great battle takes place in Parliament over the findings of the Committee. They will then be on much safer ground—a fact which they were not slow to recognize when Mr Churchill, in a fit of uncontrollable indignation, or inspired as some think, by a happy intuition for the popular-dramatic, gave them a lead some few weeks ago. For the journalists have already been more than once bitten during the course of this inquiry, and are consequently more than twice shy. The rule of British justice, which makes it contempt of court to comment publicly upon a case while it is proceeding, was devised in the interest of the litigants, so that expressions of popular prejudice founded upon *ex parte* statements and half-told tales might not warp the impartiality of the jurymen or terrorize the integrity of the judge. But although this rule was made for the protection of the litigants, recent experience has shown that incidentally it afforded a much-needed protection to the press. For the press was thereby prevented from making itself absurd. Journalists being an impulsive race, with an over-developed moral sense, it is as cruel a kindness to give them leave to comment upon *ex parte* statements and half-told tales as it is to leave a hungry school-boy at large in a tuck-shop. Their intellectual fault, if they have one, is what Mr Chamberlain once alleged against an eminent but too-candid friend, “that he had a mind incapable of distinguishing between allegation and proof.” The Marconi inquiry has betrayed not a few of our most highly-respected journalists into denunciations which were premature, into panegyrics which have subsequently required to be diluted, into sermons which missed the heathen and hit the congregation, into rules of uprightness which have hanged their own friends, and into judgments which have by and by delighted their enemies. And of all this devastating armoury of boomerangs the most fatal have been the panegyrics upon the ideal Cæsar’s wife—Cæsar’s wife being not absolutely ideal after all!



# Ministers and the Stock Exchange

## IV. THE FOURTH PERIOD

THE Fourth Period began in March of the present year. It then first transpired from statements made by Sir Rufus Isaacs\* that in conjunction with Mr Lloyd George and Lord Murray, he had bought and sold certain shares in the *American Marconi Company* during the months of April and May, 1912. We are still in this Fourth Period, and its features are quite distinct from those of its three predecessors. We are not now dealing with rumours and conjectures, but with ascertained facts—with facts which have come to light through the full and frank admissions of the Attorney-General. The whole interest has shifted. We no longer care what the gossips invented, and the journalists spread about, for we have come out of that shadowy region of nightmares. We no longer care what anybody *said*: we care a great deal, however, what certain cabinet ministers *did*.

The statement which Sir Rufus Isaacs made in the course of the *Matin* trial, and which he subsequently amplified before the Select Committee, was to the following effect:—On April 9, 1912, nearly five weeks after the acceptance of the Marconi tender by the Post Office, Mr Godfrey Isaacs, the managing director of the English Marconi Company, who had just returned from the United States, invited

\* In an action brought by the Postmaster-General and the Attorney-General against *Le Matin* for libel, March 19. The libel was of the grossest character. There was no defence, and the newspaper offered a full apology. Subsequently the transactions in American Marconi shares were investigated by the Select Committee which obtained a considerable amount of additional information which according to the rules of evidence was not admissible at the trial of the libel action. Lord Murray (then Master of Elibank) had resigned his office of Chief Whip early in August 1912, when he accepted a peerage, retired from politics, and went into partnership with an eminent firm of contractors. Ever since that date he has been abroad on business, first in Algiers, then in New York, afterwards in Colombia. Consequently he has not been available to give evidence before the Select Committee.

## The Fourth Period

his two brothers, Sir Rufus and Mr Harry Isaacs, to lunch with him. He told them that the American Marconi Company had been reconstructed, that it had been successful in litigation of a critical character, that it had bought out certain competing interests, and that it had arrived at an advantageous arrangement with the Cable Companies. He spoke warmly of its prospects, and informed his relatives of the decision to issue £1,400,000 new capital, of which he had undertaken to place £500,000. He offered his brothers a portion of his allotment at par or a little over. He recommended this stock as a good investment, and estimated that the £1 shares would probably soon be worth 25s. to 30s. He further told them that the only connexion between the English and the American companies was that the former was a large shareholder in the latter, and that three directors of the American company, out of a total of nine, were also directors of the English company. He himself was one of these three.

Sir Rufus made up his mind not to take any of these shares. He had three reasons for his refusal. He "thought it was a very large issue of capital"; he did not wish to have any dealings with the English Marconi Company, having regard to their recent negotiations with his own Government; nor, on similar grounds, did he wish to have any transactions of this sort with his brother, the managing director.

On April 17, Sir Rufus met his brother, Mr Harry Isaacs, who expressed his regret that Sir Rufus had not bought any shares. It was in his opinion an excellent investment, and although the shares were not yet issued to the public, they were already quoted at £2½. He thought they were going to rise still higher. Sir Rufus thereupon bought from his brother, Mr Harry Isaacs, 10,000 shares at £2 per share. Seeing that his object was investment, this seems a high price to have paid, because Mr Godfrey Isaacs (who ought to have known if anyone did) had not, upon the former occasion, put the ultimate value of the shares higher than from 25s. to 30s.



## Ministers and the Stock Exchange

Sir Rufus, however, upon reflection had apparently come to the conclusion that the new issue of capital, although large, was not too large. He also appears to have concluded that as he was buying his shares from Mr Harry Isaacs (and at a premium of 100 per cent) he could not in any sense be held to be buying them either from Mr Godfrey Isaacs or from the English Marconi Company. Nor was it his opinion that he was now incurring any obligation to the English company or to its managing director. He knew, however, that the shares he bought were part of a lot which Mr Harry had bought from Mr Godfrey as the result of the former conversation.

On the same day Sir Rufus sold 1,000 of these shares to Mr Lloyd George, and another 1,000 to the Master of Elibank. The price he charged them was the same as that which he had paid—£2 per share. He told them that they need not bother about payment for the time being, as the shares would not be actually issued for some considerable time. The understanding between the three friends was that, even if the shares rose in price, each would retain at least half of his original purchase as an investment, but that each was free to deal as he chose with the remainder.

Two days later, on April 19, the American shares were offered to the public at £3 $\frac{3}{4}$ , and so great was the demand for them on the London Stock Exchange that the price touched almost £4 the same afternoon. Sir Rufus thereupon sold 3,570 shares on behalf of himself and his two friends, at an average price of £3 6s. 9d.

On April 20 Mr Lloyd George asked Sir Rufus if he and the Master of Elibank might sell the halves (500 each) which they had undertaken to hold. Sir Rufus agreed, and these shares were sold at an average price of £3 7s. Out of this transaction Mr Lloyd George and the Master of Elibank had done very well. After settling up, each of them had made a profit of £743, and each of them still held 143 shares—even at present prices, worth something over £150—into the bargain. Sir Rufus, however, was less



## The Fourth Period

fortunate. If he were compelled to sell to-day at present prices the balance which he originally undertook to keep, and which he still holds, he would make a loss of something like £1,200 on the whole transaction.

But Mr Lloyd George and the Master of Elibank were unwisely venturesome. On May 22, more than a month later—the shares having meanwhile fallen to £2<sup>5</sup>/<sub>32</sub>—they made a second “investment” on their own account, and apparently without consultation with Sir Rufus. They then bought 3,000 shares for their joint account. On these—reckoning at present prices—they have of course lost heavily.

On June 19, 20, and 21, these shares were “delivered” to them by their stockbroker, and the balance owing to him upon the two transactions was £3,413. No payment, however, was made in regard to this debt until October 18 (four months later) when Mr Lloyd George sent his cheque for one-third of the sum owing. Interest had meanwhile been charged by the stockbroker at the rate of 5<sup>1</sup>/<sub>4</sub> per cent. The balance of two-thirds had not yet been paid when Mr Lloyd George gave his evidence before the Select Committee last month. The reason he gave for this was that Lord Murray (Master of Elibank) had gone abroad on business in August, a few weeks after the shares were delivered, and has not yet returned. Meanwhile rates of interest have been high, so that as much as 7 per cent has been charged by the stockbroker upon the unpaid balance.

At some time during July Sir Rufus and Mr Lloyd George first heard, through the Master of Elibank, that there were “rumours” going about as to the conduct of certain ministers in regard to the Marconi contract, and that their names, among others, were being mentioned. The Prime Minister was accordingly informed of the transactions to which the three friends had been parties, although none of the three appears to have considered that these transactions could possibly have given rise to the calumnious reports. Nor when the Postmaster-General made his statement

## Ministers and the Stock Exchange

about the Marconi contract in the House of Commons on August 7, did any of them consider it necessary or desirable to mention what had occurred. Upon this occasion, indeed, no reference was made by any speaker to the gossip which had been going about, and therefore it may easily have seemed to them that the opportunity was lacking. But during the debate which took place after the adjournment (October 11) the prevalence of injurious rumours played, as we have seen, a highly sensational part. Both Sir Rufus and Mr Lloyd George took a prominent part in the fray, and it is not so obvious why they did not then seize upon the occasion to make a statement which was certainly bound to have cleared the air considerably. They appear to have thought that a reference to their dealings in American Marconis would not have been relevant to the discussion, for the reason that they did not believe these transactions to have been the cause of the rumours. They also appear to have thought that as soon as the Select Committee was appointed it would call upon them to give evidence, and the committee-room, in their opinion, was the proper place in which to make a full and complete statement.

It is easy to be wise after the event; but to many people this now seems to have been an unfortunate decision. In the end these transactions first became known, not in the committee-room, but through proceedings in a court of justice.\* It is not easy to see why it was any more needful to mention them during the *Matin* trial than it had been during the House of Commons debate. If they were irrelevant upon the latter occasion, they were surely even more irrelevant on the former. Every day's delay was certain to add sharpness to the criticisms which the final disclosure would evoke. It was bound to be said afterwards that they had hung back in the hopes that it might never be necessary to own up. It lent colour to the suggestion that if it had not been for

\* The *second* purchase by Mr Lloyd George and the Master of Elibank was in fact first disclosed to the Select Committee, but of course at a date subsequent to the *Matin* trial.



## Mr Lloyd George's Evidence

the vehemence and pertinacity of certain newspapers during the whole of the autumn and winter the world would never have known of these transactions at all. These things were bound to be said, and they have been said. It does not seem to the ordinary person that it would have been an unbecoming request, seeing that their honour had been attacked, for the two ministers to have asked the Select Committee to call them before it at one of its earliest meetings; but they appear to have thought that they had no right to do so, and on this ground, apparently, no such request was made.

### V. MR. LLOYD GEORGE'S EVIDENCE

THE evidence of Sir Rufus and Mr Lloyd George before the Select Committee\* differs only upon two points of any importance—Sir Rufus was clear that when recommending the investment in American Marconis he told his two friends that the advice, or “tip,” to buy had been given to him originally by his brother, Mr Godfrey Isaacs. Mr Lloyd George, however, was almost certain that this gentleman's name was never mentioned. The human memory is not a perfect instrument, and we may readily believe that, as to this point either minister may have made a perfectly honest mistake. Nor does it matter very much which of the two was right, for the reason that unless it had been specifically stated that Mr Godfrey Isaacs was *not* the informant, even a less astute person than the Chancellor of the Exchequer ought to have conjectured that the “tip” emanated from him.

The second point of difference was that Mr Lloyd George, defending his dealings upon the ground that he was an “investor” and not a “speculator,” had said quite truly

\*The dates of Sir Rufus's evidence were March 25, 27, 28, and of Mr Lloyd George's March 28 and 31.



## Ministers and the Stock Exchange

“that if you put money into a concern intending it to be an investment, and something happens which puts it up to a price which you *never expected*, and your broker advises you to sell,” . . . and you do sell . . . “that does not mean that you did not buy them originally for an investment.” But, as the critics immediately pointed out, Sir Rufus had *expected* from the beginning, or at any rate was fully prepared for the fact, that the shares would rise. He had even gone so far as to arrange with his two friends that in the event of a rise each of them might sell one-half of his original purchase. And as we have seen, his two friends, having obtained his permission, had sold nearly the whole of their original investments.

Mr Lloyd George’s evidence, however, went somewhat more fully than Sir Rufus’s into questions of a personal character. He was “a comparatively poor man.” His position as Chancellor of the Exchequer was “a provisional one, and his glory transitory.” He had “to think of somebody after him.” His aim had therefore been “not to live up to his income, but to set something aside;—and he had done it.” “He had invested.” The total of his investments, however, brought him in only about £400 a year. “He had entered into this transaction because he thought it a good investment.” . . . Upon this his critics were entitled to comment, and did in fact comment somewhat to this effect:—that although he was a comparatively poor man, and although his position was a provisional one, and his glory transitory, nevertheless his salary was adequate for his immediate necessities; that in fact it was a very handsome salary; that for such sums as he was able to save there was a multitude of investments of unimpeachable security yielding a moderate rate of interest; and, therefore, that there was no reason for him to have selected a highly speculative investment in the middle of a wild gamble in its shares—an investment upon which, in the first instance, he had reaped a capital profit of more than 50 per cent in a few days. Nor need the future have had any

## Mr Lloyd George's Evidence

terrors for him. A man who has been Chancellor of the Exchequer, if in the ups and downs of political life he should happen to be thrown upon the mercy of the world, is not likely to come upon the rates. The spectacle of an ex-cabinet minister begging his bread has not yet been witnessed. Having regard to the growth and multiplication of highly respectable joint stock companies and other great enterprises which need the services of directors of unimpeachable character and something more than ordinary abilities, it is more than ever certain that such as Mr Lloyd George shall never want. When men of his experience and repute find themselves in Opposition and under the necessity of earning their livelihood, they shall surely be made to lie down in one or other of those green pastures which abound in the neighbourhood of Cornhill and Bishopsgate. And it was further pointed out that if a politician be desirous to concern himself at all with buying and selling on the Stock Exchange, there may not be much objection to his doing so when he is out of office and in actual need of money, but that there is neither reason nor excuse for such dealings while he is sitting in Downing Street drawing a comfortable salary.

The critics were not less sceptical as to the correctness of describing these transactions as "investments of savings." They pointed out that from the beginning a rise had been contemplated, and that a sale at a profit had also been contemplated. The arrangement which had been made, and subsequently waived, in the case of two of the participants, as to the retention of half the purchase, clearly showed this to have been the case. Besides, when a man is thinking of an investment he usually concerns himself with the question of dividends. But here it was admitted that the probable amount of dividends had not been discussed or canvassed between the three friends. It was urged, moreover, that the "savings" which it was proposed to invest could not be truly said to have been burning a hole in the Chancellor's pocket at the dates of his purchases. In fact they



## Ministers and the Stock Exchange

appear to have been of the nature rather of anticipated savings than of savings actually realized. For none of the purchase money was paid until nearly four months after the shares were delivered, and the balance, so far as is known, has not been paid up to the present time. "Savings" which have to be borrowed from a stockbroker first at 5 and afterwards at 7 per cent are not savings in the commonly accepted meaning of the term.

Another statement of Mr Lloyd George's excited some remark. When he had attacked Mr Chamberlain and the Chamberlain family in 1900 with regard to their investments, he had taken very high ground as to the duty of ministers to abstain not merely from evil, but from the remotest appearance of it. If, however, the Select Committee should proceed to cross-examine him upon these utterances he informed them that he would be compelled "to revive old, personal, and painful controversies." He "would be the last man to do that" willingly; but he would "have to refer to the facts to show the distinction, and he would do so reluctantly." This somewhat minatory announcement he again repeated upon the second day of his examination. The Select Committee did not examine him upon his previous utterances, presumably because they were there mainly to inquire into certain facts and rumours, and not for the purpose of investigating the wide field of political ethics. And besides it is probable that there was none of them who was not already fully aware of the distinction between the two cases. The charges which had been brought against Mr Chamberlain were not that he had dabbled on the Stock Exchange but that he was a shareholder\* in certain companies which had received and benefited by Government contracts at a time when he was Colonial Secretary; that a great many members of his family were shareholders in such companies, and that his brother, Mr Arthur Chamberlain, had obtained important Govern-

\* A small shareholder as it subsequently turned out in *two* of them: and a shareholder of long standing.



## The Justification

ment contracts, and had been unduly favoured over the other competitors.\* Only as to the last does there appear to have been any similarity between the two sets of accusations.

### VI. THE JUSTIFICATION

IT is necessary now to refer to a few of the chief points which have emerged during the general discussion. The purchases and sales of American Marconi shares by the Chancellor of the Exchequer, the Attorney-General, and the Chief Whip during April and May, 1912, have been fully admitted, and the facts are therefore clearly established. These dealings have been defended by the parties themselves and their friends on several grounds, among others, on the ground that, as the contract between the English Marconi Company and the Government was completed some five weeks before the first of these purchases was made, the private interest of the three ministers could not thereby have been brought into any conceivable conflict with their public duty.† But the argument upon the other side is not

\* Mr Arthur Chamberlain brought and succeeded in a libel action upon this accusation, the counsel for the defendants being Mr Rufus Isaacs.

† Sir Henry Norman, in opening the debate (October 11, 1912) said:

On March 7 the Postmaster-General signed an agreement with Marconi's Wireless Company for the erection of six wireless stations.

Sir HERBERT SAMUEL: There is no agreement.

Sir H. NORMAN: I will adopt whatever word the Postmaster-General chooses. He approved and signed a contract.

Mr HERBERT SAMUEL: No, Sir. I signed no contract. The Marconi Company put in a tender in general terms. A letter was written by the Post Office accepting the tender, upon which a contract was subsequently to be based.

Sir H. NORMAN: I will make myself entirely safe by saying that the Postmaster-General signed a document.

Mr HERBERT SAMUEL: Somebody wrote a letter.

Sir H. NORMAN: Really, if I may respectfully say so, that is rather a quibble. Some document committing the Post Office, and therefore the British Government, to the erection of these wireless stations, subject to the ratification of this House, was signed by somebody on March 7 on behalf of the Postmaster-General.

Mr HERBERT SAMUEL: There was no contract.

## Ministers and the Stock Exchange

without force. The contract was not technically complete—even as regards the department presided over by the Postmaster-General—until July. Only the general tender upon which a contract was to be based had been approved by the postal authorities. But more important still, the completing of such a contract does not rest with the department concerned, which can only approve and recommend, but with Parliament, whose ratification is necessary before the contract becomes binding upon the country. If there is opposition to such a proposed contract in Parliament the Attorney-General ought to be in a position to give his best professional advice to the House unbiased by any private interest. The Chancellor of the Exchequer ought to be in a similar position as keeper of the public purse. The Chief Whip, too, has his duty—the duty of bringing up his men to vote on the merits of the case. Now in July, 1912, there was opposition to the ratification of the Marconi contract, and it was not a mere political or party opposition. The proposed agreement was viewed with disfavour by a certain number of Liberal members of Parliament, and by a certain section of the Liberal press. At one time the opposition seemed so serious that certain people even entertained hopes or fears that the agreement might be rejected. The consideration of the matter was postponed from July until the autumn, at great inconvenience to the public interest, solely because of the strength and the assumed substance of this opposition. The contract, in fact, is not yet ratified and it is therefore not yet complete.

These ministerial transactions have also been defended on the ground that the prosperity of the American Marconi company was a thing entirely independent of that of the English company. But, as the critics have pointed out, the two companies were not wholly independent of each other. They worked the same patents, though in different hemispheres ; and therefore the agreement with the English Government was undoubtedly a valuable advertisement for



## The Justification

every branch of the undertaking. Three of the most prominent of the English directors are members of the American board. In circulars the American company has been referred to as in some way associated or subordinate. And although the American company hold no shares in the English company, which alone would benefit by the Government contract, the English company held a very large block of shares in the American company. It may be true, and it is certainly quite possible, that even if the English company came to utter grief the American company might not suffer injury to the extent of a single halfpenny. Still ultimate prosperity and large dividends are one thing; the market value of the shares during a given period is quite another. The reason why the £1 shares of the American company went up to nearly £4 the moment they were purchasable by English speculators and investors was not wholly or even mainly due to their intrinsic merits, but to the fact that the £1 shares of the English company then stood at something like £9. This "sympathy," as it is called, is not a very tangible thing, and it is very hard to analyse or explain upon logical grounds. But it is an undeniable fact, and is at all times a most potent influence in Stock Exchange quotations.\*

Another justification which has been put forward is that the three ministers, when engaging in these transactions accepted no favour, direct or indirect, from a Government contractor either before he got his contract or afterwards. The critics, however, contend that they did take a favour from a Government contractor seeing that they acted upon a "tip" which emanated from Mr Godfrey Isaacs. They did not, of course, take so great a favour as if they had bought their shares from him at par. But the information on which they acted came from him; and it was valuable information, for it enabled them to buy at £2, and in three days' time to sell out at £3 $\frac{1}{4}$ . What they bought was a portion of the Government contractor's

\* The chart opposite p. 428 shows to what extent the shares of the two companies have fluctuated "sympathetically."



## Ministers and the Stock Exchange

own holding. They got it indirectly, but still they got it. They might have had the shares at £1 or £1 $\frac{1}{8}$  had they accepted his original proposal. But when they bought at £2, they could not have got these shares anywhere else at this price, for the doors were only opened to the public two days later at £3 $\frac{1}{4}$ . It has seemed to the critics, therefore, to be impossible to maintain that these ministers took no favour from a Government contractor; and they contend that in fact they took two favours, one direct, the other indirect—the “tip,” and the advantage in the purchase price.

But at any rate the ministers had clearly no dishonest intention, since they attempted no concealment. To this, so far as we are aware, there has been no answer worth attending to. Indeed it must be obvious that if the persons concerned had thought for a single moment that these dealings were improper, and if, nevertheless, they had desired to carry them through—which is inconceivable—they would never have bought and sold the shares openly in their own names. For transfers are handed about. They pass through a multitude of clerks upon whom there is no very drastic obligation of secrecy. A clerk, being human, is liable to gossip, particularly about public characters. Then at once Rumour spreads her wings and circles over the town. Sir Rufus can hardly have overlooked this fact, seeing that before he went to the bar he was engaged upon the Stock Exchange. And it seems equally inconceivable that the Chancellor of the Exchequer or the Master of Elibank—who are both people with considerable experience of men and things—should not have realized that if there were anything wrong or improper in these transactions—or even if there were anything in them capable of honest misunderstanding or dishonest misconstruction—it was morally certain that it would come out and that the most would be made of it. It therefore must appear certain to any fair-minded man that there could have been no blameworthy intention in the

## Opinions of the Press

minds of any one of the three. It may seem strange that none of them should have realized either that to certain eyes their action would seem to be an impropriety, or that they were incurring very serious dangers in consequence; but that does not affect the matter one iota. The shrewdest people are occasionally the blindest. No one would call the Master of Elibank a simpleton. Mr Lloyd George knew, if any one did, how ready some politicians are to attack a prominent opponent upon any real or imaginary financial irregularity; for he himself had led just such an attack upon Mr Chamberlain. And Sir Rufus Isaacs also knew, for he had been concerned, as counsel, in one of the libel actions which arose out of this attack. But in spite of the strangeness of it all, it is clear that the parties concerned saw nothing the least wrong or open to question in these transactions at the time when they so unfortunately decided to engage in them.

### VII. OPINIONS OF THE PRESS

AT the time of writing\* the Select Committee has finished hearing evidence and is engaged in considering its report. Upon the merits of the Marconi system and the terms of the Government contract the public is content to await the findings of this body; and it will probably be equally content to accept them when they are announced. But the public has already formed its own opinion upon the rumours of cabinet corruption, and has relegated them one and all to the limbo of malicious and incredible gossip. There remains but one thing, and that is the propriety or otherwise of the ministerial dealings in American Marconi shares. The facts regarding these transactions are already fully known, and conclusions can be drawn therefrom by the ordinary man without the assistance of any committee, select or otherwise. Consequently the public, with the

\*Whitsuntide.



## Ministers and the Stock Exchange

invaluable aid of the journalists, is at present occupied in making up its mind upon this subject which it rightly considers to be by far the most important issue which has presented itself during the whole course of the inquiry.

Unionists incline to follow the judgment of their own newspapers, and their own newspapers are unanimous in condemning these transactions with varying degrees of vehemence. Whether Liberals will be equally inclined to follow the lead of *their* daily newspapers is not quite so certain. For one thing the voices of the Liberal journals are not entirely free from an accent of hesitation, nor are they absolutely unanimous. Indeed the present attitude of the Liberal press with regard to this matter is something of a puzzle. For the Liberal press has hitherto claimed, and not unjustly, to exercise a special custody over questions of pecuniary propriety in high places. It is the lineal inheritor of an austere tradition—the tradition of Joseph Hume, and of many other indefatigable and high-minded men of the Manchester School of politics—"radical" reformers in the original sense of the word—who spent a great deal of their lives thanklessly, but most usefully, in hunting out abuses and corruption, and bringing about their abolition. They endeavoured in their own day to raise the standard of integrity in the public service even higher than it had been left by the younger Pitt. In this they succeeded, and they may fairly claim the chief share of the credit. For the Conservatives were too easy-going, too tender towards the frailties of humanity, too reluctant to disturb good-fellowship, too anxious to avoid unpleasantness, and, above all, too considerate of vested interests however sinister, and of ancient privileges, however inimical to the public advantage, for them to play the leading part in this drastic reformation.

Hitherto the Liberal press has adhered to the severe standards of its tradition. But in the present instance, with only one conspicuous exception,\* so far as we are aware, it has abstained from any adverse comments upon these minis-

\* *The Nation*



## City Opinion

terial dealings. It has made light of them, has extenuated them, and as far as possible has ignored them. The chance of escaping from an awkward political situation by making a counter-attack upon calumniators in general, and by seeking to identify the whole body of their opponents with the violence of a few socialistic and the extravagance of two or three Unionist newspapers has proved too strong for their political virtue: for the moment it appears to have confounded their standards of political morality, and deranged the weights and measures of their judgment. It is clear that the defence, if there is to be a defence, must be bold and direct. No counter-attack will serve its purpose, for the simple reason that what our public servants have done is an infinitely more important matter in the estimation of the country than any malice which may be proved against a multitude of private and comparatively irresponsible people. If the parties to these transactions had happened to be Unionist ministers, and had they been judged by those maxims which we have been accustomed to hear preached and insisted upon by the Liberal press in the past, their condemnation would have been swift and certain. Of this fact public opinion is fully aware; and according as the sympathies of the man-in-the-street incline towards the Liberal side in politics, or towards the Unionist, he views the present process of exoneration with feelings of suppressed uneasiness or open indignation.

### VIII. CITY OPINION

**T**HERE is another section of the public whose opinion may be worth considering in this connexion. We are accustomed to hear a good deal of abuse of "the City." Its ways and standards—rather dimly understood by the outside world—are not wholly approved, and are even apt to be regarded as somewhat sordid by those moralists of a sterner school who set the tone of our public life. For, unlike the House of Commons, the City makes no pretence of

## Ministers and the Stock Exchange

being disinterested. In the American phrase, men are not in business "for the good of their health." They pursue their various vocations in order that they may make money, and not, as in the case of the politicians, merely to do good. But they have their point of view and their standards of conduct none the less, and it may, therefore, be useful to hear their judgments upon this episode, if they have arrived at one.

The opinion of the City, be it understood, is not the same thing as the opinion of the Stock Exchange. The Stock Exchange is an important element in forming City opinion, but it is not the most important; and, though the contrary is a common enough belief, it is very far indeed from being the predominant element. The Stock Exchange is combative and volatile, too ready to make up its mind at a glance or on a rumour, too easy to excite and to cast down, for it ever to possess that enormous influence which is sometimes attributed to it. Nor is City opinion to be confused with that of those loungers, and inventors of gossip, who sit far into the afternoon over their coffee and liqueurs till it is time to go back to their offices and pick up their umbrellas, those symbols of a recovered liberty! The opinion of the City is a different thing altogether. It is based upon the views of men in the City of London who keep that City still what former generations of men like them made it under the Stuarts, and have kept it since the days of Queen Anne—the greatest, the strictest, the most sober and most dignified of commercial communities. These men are not of any one class, far less of any equality of fortune. Included in their number are the great merchant-bankers, but there are also tradesmen, lawyers, and a host of others. There are humble clerks, humble enough in some ways, but proud enough in others, knowing themselves to be securely trusted both for their judgment and their honesty. There are men who live in Carlton House Terrace, and others who live at Ealing, at Bromley and in Bayswater. They are a strange and various lot, but they are very firmly held and bound together by a single point of view. It is a shrewd society; certainly



## City Opinion

not uncharitable, though for the most part unemotional; sadly unresponsive to stimuli of a certain order. Its habit is moderation—rarely pressing things to extremes, or entertaining extravagant hopes, or falling a prey to imaginary fears. But, above all things, it is steadfast and honest according to its lights, and given to placing its trust more readily upon character than on signed parchments. It is intolerant of highflown professions—possibly rather too apt to scent in them humbug, the most pestilent of all business evils, and hypocrisy, the worst of all moral blemishes.

What does this City opinion think of these transactions? It thinks, and says so quite plainly, that ministers have been gambling. It thinks also, and does not hesitate to say, that considering their positions and their salaries, they had no need, and certainly no business, to be gambling, and that the discredit of their particular gamble is enhanced rather than excused by the fact that they were losers. For what two\* of them did is what every tyro does—what every parson or old lady having a half-guilty “flutter” in the haunts of Mammon with an aunt’s legacy or some other unexpected windfall does. Their method was the same as that habitually pursued by a well-known client of the Stock Exchange called “Mr Juggins”—he takes a tip. He buys half-way up the “boom”; sells excitedly at a profit; then, mistaking his wholly undeserved good luck for some natural and infallible sagacity, at the first serious drop he buys in again in larger quantities than before. But on this occasion, as he has bought half-way down the “slump,” he finds himself at settling day, as the saying is, “left.”†

The Chancellor of the Exchequer is, in a sense, the ex-officio head of the City of London; for he is the highest

\* It must be recognized that Sir Rufus Isaacs is in a different category from the other two. He bought intending whatever rise might take place, to retain at least one half of his original purchase as an investment, and this he has done. Moreover, he did not enter the market a *second* time: and he paid for his shares on the nail. Consequently what immediately follows does not apply in his case.

† Mr E. T. John, a Liberal M.P., speaking at a meeting of the League of Young Liberals, said: “Before proceeding to the business of the evening,



## Ministers and the Stock Exchange

financial officer of the British Empire. City opinion is therefore affronted by the disclosure of this sublime functionary behaving for all the world like the poor, greedy, excited Mr Juggins of ordinary life. The feelings of the City upon this episode are very much what the feelings of "the counting house" would be if the head of the great house of Baring, or of the great house of Rothschild, or the chief cashier of the Bank of England were to be detected winning and losing pennies at pitch-and-toss with ragged urchins in some quiet court at the back of the Guildhall.

This is one aspect of the matter; but there is another and a more important. Ministers, in the opinion of the City, have no right to engage in speculative investments. They are not free to gamble. The honour and the power attaching to their posts form their chief rewards. These were good enough for their predecessors, and should be good enough for them likewise. In addition they receive handsome enough salaries—the Chancellor of the Exchequer £5,000 a year, the Attorney-General, with his fees, not far short of £15,000 a year, the Chief Whip something substantial. With this provision, pecuniary and otherwise, it is expected of them that while they are in office they should concentrate all their thoughts and energies upon the public service, and not concern themselves with the mending of their private fortunes.

The confidence of the country has hitherto been well kept by some thousands of Civil Service clerks whose salaries, beginning at a hundred or two per annum, rise slowly to something which in the end is far short of four figures on the average. The plums are a very few posts worth between fifteen hundred and three thousand a year. Many a secret,

may I express on your behalf and for myself our profound sympathy with the Chancellor of the Exchequer in the storm of obloquy with which he has recently been assailed, and our congratulations upon his triumphant vindication of his personal honour? Absolutely the last charge that could justly be brought against Mr Lloyd George is that of pecuniary self-seeking—his life has been one continuous negation of any such suggestion—and his recent escapade has only demonstrated that he is 'but a child in these matters'—artless, ingenuous, impulsive, and confiding."—In which remarkable defence the *Spectator* discovers "an example of the dangers of the friendly bludgeon."

## City Opinion

which if it were known betimes upon the Stock Exchange would be worth a fortune, is in the keeping of men with salaries of a hundred pounds or so per quarter. Is the virtue of these men never assailed? Are baits never set to draw them into a traffic of information, or into the use of their official influence? Is temptation never set before them in insidious ways? What private secretary to a Chancellor of the Exchequer, or any other head of a great Government department, has not at one time or another had a "safe tip" dropped to him confidentially by some negotiator with "the Office," who is grateful for past favours or hankering after favours still to come? And these "tips" may be in respect to matters so remote from anything governmental as to be in themselves innocent enough if the motive of the giver were entirely so (which it never is), or if the public servant were *not* a public servant. We may believe that our Civil Service will continue to regard it as an infamy to accept these dangerous favours for so long as it is sustained and encouraged by the example of an equal austerity on the part of its chiefs.

Mr Lloyd George's sincerity in his great projects of social reform is not doubted by serious people, and therefore is not doubted by the City. But at times he has expressed himself in terms of considerable violence and extravagance, and occasionally, as his enemies have thought, with something less than justice and a good deal less than charity. Consequently traps of his own setting and pits of his own digging surround him on every side. His attacks upon the idle rich—upon fortunes made not by honest toil, but in devious ways and by sleight of hand—his denunciations and derision of the possessors of great estates which for generations have passed from father to son, enriching unduly "the first of the litter"—all these sayings are remembered against him, some of them with bitterness, and may easily come to be remembered against him with scorn. For, after all, as Lord Rosebery once pointed out with an admirable moderation, there are less creditable ways of becoming rich than by inheritance.

## THE GRAIN GROWERS' MOVEMENT IN WESTERN CANADA\*

### I

“**T**HREE days hence shalt thou come to the deep-soiled land of Pthiotis”: thanks to the Canadian Pacific and other railways, the deep-soiled land of Western Canada now lies for the most part within three days’ journey of the Eastern seaboard. The first part of the Trans-continental journey through Canada by the Canadian Pacific main line does not present an alluring picture to the traveller, but one hundred miles east of Winnipeg the wilderness of charred scrub forest and rock-bound lakes, in which the only signs of civilization are—with due apologies to rising cities like Sudbury and Fort William—the tiny section-houses, the railway and telegraph lines, an odd lumber camp, and a still odder settlers’ clearing, begins to assume a less barren, if less picturesque, aspect. The rocks disappear, the lakes and streams become rarer, and the trees form small, scattered clumps, not a continuous forest. Settlers’ homesteads and wide plots of cultivated land become more frequent, till at last, as the train nears Winnipeg, many of the features of an old-established farming community are visible, and a pleasing scene of tilth is disclosed, which continues with little variety for a thousand miles to the foot of the Rocky Mountains.

\* Contributed by a correspondent in Western Canada. The Editor of *THE ROUND TABLE* does not make himself responsible for the opinions expressed.



## The Grain Growers in Western Canada

Picture to yourself a vast level plain, stretching as far as the eye can reach, dotted over here and there with log-built farmsteads and clumps of trees, devoid of any striking landmarks, and divided only by invisible wire fences. Country mansions and parks are absent, and churches are inconspicuous, perhaps through very shame of their ugliness; all roads run straight, and all boundaries are cut to the square with a regularity which becomes depressing, and makes walking an impossible recreation. There are villages, it is true, few and far between, but there are no tall chimneys or spires to distinguish them; railway trains are few, and as a result there is little sign of any admixture of urban civilization. Every inch of land seems fertile and arable, and, to the thrifty eye of the British farmer, there appears a prodigal waste in cultivation. The riches of Nature seem but half utilized. Of such appearance is the prairie, a dull and monotonous, but singularly mysterious and fascinating, landscape. There is no part of the British Isles which can be said to resemble it. In Scotland the Carse of Stirling, by reason of its continuous levelness and the quality of the soil, would bear some likeness, were there not the Grampians in the background to destroy the sense of infinity which is the prairie's most peculiar charm.

Settlement in this country dates from a far past, as time is reckoned in the overseas states. The first agricultural settlers of Western Canada were those sent out from Orkney by Lord Selkirk in 1812. These Orcadians had to face many hardships and vicissitudes, but they eventually succeeded in establishing a prosperous settlement of farms along the banks of the Red and Assiniboine Rivers. It was the golden age of the Red River Valley: the settlers led happy and prosperous lives, despite the absence of telephones and elevators and wider markets and country clubs, and some of the survivors of this epoch, when they contemplate modern Winnipeg, look back upon it with longing and regret. Then in 1870 came the transference of the Western Territory to the Dominion of Canada, and Louis Riel's rebellion of the

## The Grain Growers in Western Canada

Metis against the incoming Ontarians. Settlers drifted through in handfuls till the first Manitoba boom of 1880, when there was a vast inrush of agriculturists from Eastern Canada and Great Britain, who established themselves on the cheap unoccupied lands, and by their numbers brought about the creation of a new province—Manitoba. The boom, however, was premature, suffered from misguided inflation, and was followed by a serious set-back. Markets were hard of access, transportation was difficult, railway rates were high, the Western States of America, with milder climate and better facilities of communication, were attracting Europe's surplus population and capital, and immigration practically ceased for twenty years. But the Western United States were filling up, and it was obviously only a question of time till the turn of Western Canada arrived. This came almost with the opening of the twentieth century, when the world discovered that on these Western plains lay one of the last unoccupied, well-governed, fertile areas on its surface. Immigrants began to pour in from all sides, the much-discussed invasion of American farmers commenced, capital followed, at first timidly and then in volume, real estate soared, railway construction increased by marvellous mileage, and bank clearings by more marvellous millions. Tested by all the known criteria of North American prosperity, there ensued in Western Canada a period of phenomenal development, which still attracts the attention of the civilized world.

The Dominion Government, meantime, had initiated a vigorous policy of advertisement and immigration, the primary object of which was to settle on the fertile lands of the West as many agricultural producers as possible, to form a sound basis for the Dominion's future prosperity. Though wide differences of opinion exist as to the comparative success or failure of its methods for achieving that end, there are now over one and a half million inhabitants in the prairie provinces, and while perhaps only two-thirds of these are directly engaged in agricultural operations, all save a



## The Grain Growers in Western Canada

small minority are directly or indirectly interested in them. Several large towns and cities and a multitude of villages have sprung up, but agriculture is and must always be the dominant feature of Western Canadian life.

And in the agriculture of the West "Wheat is King." It is the great staple product of the region lying between the Great Lakes and the Rockies, which forms one vast, unbroken stretch of prairie. Beyond the Rockies lies British Columbia—another world, a land of snow-capped mountains, deep valleys and swift rivers, of fruit farms, lumber mills, and mining camps, separated from the prairies by a barrier which is in effect mental as well as physical. There is little in common between the two regions, either in respect of economic conditions and natural products, or of social organization and political temper.

On the prairies, oats, flax, barley and other cereals are grown in considerable quantities, but the wheat crop is the life-blood of the country: by it the temperature of its prosperity rises and falls. Cattle and horse raising are carried on, but their value as a source of national income is comparatively small. The vast majority of the farming population are dependent for a living on the success or failure of the wheat crop. If it is a success, they may enjoy a trip to California or Europe; if it fails, they may have a visit from the sheriff. And the wheat crop has many vicissitudes to surmount: late frosts in May, drought in June and July, excessive rain and absence of sun in August, and early frost in September. Wheat is peculiarly sensitive to climatic conditions, and as a result every Westerner is an eager student of weather forecasts, because on the weather depends the health of the wheat crop, and on its health hangs the fate of the whole business community.

Undoubtedly the farmers have concentrated their labours too exclusively on wheat, but they have their excuses. Most of them came to the West with land hunger in their hearts, and a keen desire to found there a permanent home as independent yeomen. They found the climate stern and



## The Grain Growers in Western Canada

rigorous, and did not escape serious economic difficulties. Into many of their souls came another and later desire to amass a competence and retire to more equable climes. Wheat, the most profitable of all crops on a virgin soil, offers the best chance of speedy and valuable prizes, and its cultivation is accordingly pursued with undivided zeal. For most farmers wheat is still an agricultural gamble, but it is a gamble where the bank is often beaten. The great flaw in the present Western type of civilization is that in the minds of a large percentage of the inhabitants there is no idea of permanent residence in the country. They are there to make money and "get out," and until the real estate mania subsides and more stable conditions prevail, this spirit will endure, and lure the farmer to give his undivided allegiance to wheat growing.

The real estate fraternity may be dismissed as a temporary element, but besides the agriculturist, there is to be found in the West a considerable minority engaged in equally indispensable businesses, building and operating railways, managing banks and elevators, running stores and lending capital to all classes, in short, providing the physical and financial machinery which is a vital necessity to progress and civilization. There is, too, the usual proportion of professional men, ministers, doctors and lawyers. The population is cosmopolitan in its origin; Eastern Canadians, British-born and American probably number one-fourth each, and the remaining fourth is drawn from a score of European nationalities, Swedes, Icelanders, Germans, Galicians and Ruthenians being the most numerous.

The course of the development of Western Canada was perfectly normal till a very short time ago. Land values had probably become unduly depressed after the collapse of the early boom in the eighties, and soon after the opening of the century they had a rapid rise, which still continues, though distinct signs of abatement are beginning to be visible. Capital was attracted by the phenomenal increment and flowed in to stimulate it further. There was opportunity for

## The Grain Growers in Western Canada

one and all, however minute their capital, to share in the profits of this spoil, and so vast was its extent that for a time all the people in the West were alike prosperous and contented. But as prices rose the prizes of the real estate boom speedily passed beyond the reach of the poorer settlers and the later immigrants. The boom itself had the effect of raising the cost of living and emphasizing the disparities of wealth. The farmers, by reason of their isolation from the great centres of real estate operations, had had less share than other classes in these triumphs of speculation, and they had been the chief sufferers from its adverse effects. There grew up among them a spirit of criticism and examination, and with the comparative abatement of the rise in land values, a new phenomenon began to engraft itself upon the normal life of the country in the shape of the Grain Growers' movement, which it is the object of this article to discuss.

### II

**T**HE Grain Growers' movement has a threefold significance. In the first place, as a revolt against the individualistic scramble common to all new communities and the tyranny of unbridled capitalist combinations, it is analogous to the Progressive Insurgent movement in the American Republic, which is so strongly supported in the Western States. Secondly, it has introduced in co-operation a new social and economic factor in the life of the community. And, lastly, it has already influenced, and may affect still further, the whole political life of Canada.

In order to understand the position of the Grain Growers, some knowledge of the production, transportation and sale of the grain crop is necessary. Cutting commences late in August in an average year, but varies with different localities. The development of the self-binder and other ingenious



## The Grain Growers in Western Canada

machinery, the latest of which "stooks" the wheat as soon as it is cut, has helped to simplify the labour question, but the scarcity of help at harvest time is still an acute problem in most districts. Threshing is the next process, and though many large farmers own their own threshing outfits, the work is usually undertaken by special threshing gangs for a percentage per bushel threshed. Once threshed, the wheat is available for market. At every turn the grain grower is dependent on wise and equitable methods of commercial organization, and his complete lack of any control over the machinery of transportation and finance has in the past left abundant openings for speculative methods to creep in and deprive him of his due reward. He might be robbed by excessive charges at the interior elevators, by extravagant terminal charges, by high freight rates, by the manipulation of prices in the Winnipeg Grain Exchange, by the lack of forwarding facilities at any point along the line of transit, by "mixing" and improper methods of grading. Transportation was up till a few years ago completely in the hands of the railways and elevator companies, and it was with the latter that the farmer, when his wheat was marketable, had his first dealings. At the beginning of 1912 there were 920 stations with 1996 registered interior elevators and thirty warehouses, having in all a capacity of 62,500,000 bushels. At six other stations there were nineteen terminal elevators with a capacity of 27,550,000 bushels, making a total elevator capacity of 90,000,000 bushels. The elevator companies (1) ship grain, charging roughly  $1\frac{1}{4}$  cents per bushel for weighing, cleaning and putting the grain on the cars, (2) buy grain to resell later to the greater wholesale firms or direct to the transatlantic consumer, and (3) buy grain for their own consumption, as in the case of the great milling companies, who between them own 320 elevators.

Closely connected with the elevators' operations is the grain-dealing business with its headquarters in Winnipeg, where more wheat is now marketed than anywhere else in America. There are also a number of commission merchants, to whom



## The Grain Growers in Western Canada

it is a matter of indifference how grain reaches them provided they secure it to sell. The farmers have had no serious complaints against the commission merchant. Their feud has been with the elevator man, who buys grain in the country and has a seat on the exchange. The trend of his business is by nature speculative, for the purchase of grain at an interior point to sell at prices governed by world markets is full of risks. The farmers have always believed that when, as a result of exchange operations, a big surplus accrued, the operator pocketed that profit, but if a loss occurred, the interior elevator system, holding as it did a semi-monopoly at various points in the country, proceeded to impose the loss upon the grain producers and make them suffer for the mistakes of bad judgment or rashness made by others on the exchange.

The elevators conduct business under strict regulations laid down by a series of Grain Acts, and are subject to an annual licence fee. No elevator can refuse grain if it has room for it, or discriminate in favour of special parties. But against the system, even as thus controlled, the farmers have often protested. They have alleged that the arrangements were sometimes defeated by the elevator operator giving short weights, by excessive "docking" for dirt, by the improper reduction of both grades and prices, by "jockeying" for cars: that there was frequently no cleaning apparatus such as the law demanded, that farmers were refused special bins, that good grain was selected by the companies for their own orders and the inferior quality rejected. The banks, too, were accused of allowing the elevator interests a monopoly of credit and thus forcing the farmer to sell as soon as he had threshed.

To remedy these grievances, new legislation was devised. It was enacted that, on a written approved application of ten farmers within twenty miles of the nearest shipping point, any railway company operating there is required to build at its depot a loading platform of a certain length and width for the purpose of loading grain directly into grain

## The Grain Growers in Western Canada

cars, and all persons may have access to these platforms free of charge. This is now considered the least costly method of shipping grain when the farmer has a car-load of one grade and kind. The farmer saves the cost of elevator handling, and is able to sell his grain in Winnipeg through a commission agent, generally at an advance on the elevator buyer's offer; moreover, the identity of his grain is preserved. In the year 1910-11 one-fifth of a crop of 130,000,000 bushels was shipped from loading platforms. Simultaneously the railway companies were ordered to provide at their depots sites for warehouses, where farmers' grain could be stored, the owner of such warehouse being forbidden to use it for his own grain.

These alterations removed some of the grounds of complaint, but others remained. When the wheat reaches Winnipeg it is graded by Government inspectors, and its selling value is determined by the grade there fixed, though naturally the elevator buyer has previously made his own estimate. The grain growers declared that the grading system was unfair to grains lightly bleached or frosted and did not represent the value of the grain for milling purposes, and maintained that buying by grade enabled the millers and elevators to fix prices on the lowest level of each grade. They were further roused to indignation at the alleged practice of "mixing." This process consists in mixing in with some inferior grain enough of a superior grade to enable the united bulk to grade to the higher standard. Such mixing was said to have taken place most frequently in the terminal elevators at Fort William and Port Arthur, where some cases of this practice were exposed and some companies fined. Fort William and Port Arthur are strategic points in the grain trade, as the greater proportion of the grain destined for export arrives there to be either loaded on board ship for water transit or held in storage. Thence it is forwarded by different routes: some goes by lake to Parry Sound and other Georgian Bay ports whence it proceeds by rail to the Atlantic seaboard, some by the Welland canal, an all-water route,



## The Grain Growers in Western Canada

to Montreal, and some by Buffalo in the States, whence it either goes down the Erie Canal or is railed to New York. The latter route is apparently the cheapest: at any rate, in 1911 over 60 per cent of the Western wheat reached tidewater through Buffalo. The United States allow certain bonding privileges for the transit of Canadian wheat, and one of the reasons given by grain growers for opposing a food-tax preference in Britain is that it might result in the cancellation of these valuable privileges and an increase of the grain blockade. Winter seriously interferes with the more northerly Canadian routes, and all-rail transit to Halifax and St John is ruinously expensive.

Such was and still is to a large degree the machinery of the grain trade, and such were the indictments lodged against it by the farmers. It was a universal condemnation which included the millers, the Grain Exchange, the railways, the banks and the terminal elevators. Many causes were working to produce intense irritation among the farmers, aggravated often by a lack of really accurate knowledge of the actual facts. There was continual recrimination and dissatisfaction on both sides, and Parliament proved unwilling or unable to effect any satisfactory redress of the conditions under which the grain trade was carried on. Political organization, as represented by either of the two historic parties, seemed to offer little hope of success to the dissatisfied farmers unless there were other forces at work.

It was accordingly decided to make an effort to create a new co-operative organization. In 1906 a few bold spirits floated the Grain Growers' Grain Company, to engage in the buying and selling of grain. The initial capital was only \$5,000 and its first struggles for existence were truly desperate; but the farmers rallied loyally to its support, with the result that it has prospered far beyond the wildest dreams of its founders. The following tables give particulars of the company's remarkable progress up to date:



# The Grain Growers in Western Canada

## Opened Business

	Sept. 1, '06	June 30, '07	June 30, '08	June 30, '09
Shares Allotted . . .	1,000	1,853	2,932	7,558
Capital Subscribed . .	\$25,000	\$46,325	\$73,300	\$188,950
Capital Paid-up . . .	\$5,000	\$11,795	\$20,385	\$120,708
Grain Receipts (Bus) .	—	2,340,000	4,990,541	7,643,146
Profits . . . . .	—	\$709	\$30,190	\$52,902

	June 30, '10	June 30, '11	June 30, '12
Shares Allotted . . .	14,131	24,602	27,321
Capital Subscribed . .	\$353,275	\$615,050	\$683,000
Capital Paid-up . . .	\$292,957	\$492,062	\$586,472
Grain Receipts (Bus) .	16,332,645	18,845,305	27,775,000
Profits . . . . .	\$95,663	\$69,575.46	\$121,614

*Total Farmers' Grain handled since Sept. 1, 1906  
77,926,637 bushels.*

Last year it handled more than one-fifth of the whole grain trade of the West. It has formed such business connexions as render it independent of some initial opposition offered by the Grain Exchange. It has a central office in Winnipeg and a branch in Calgary for Western trade; its agents move regularly through the country. At present the management is in the hands of upright and able men who have made great sacrifices to carry out their purposes, and have given to the cause of the farmers, for comparatively small salaries, capacities and energies which might have commanded far higher rewards in such an excellent open market for individual enterprise as Western Canada. It may reasonably claim, after six difficult years, to have improved the conditions under which the cultivator markets his crops, and to have increased by a few cents per bushel the price which he secures. This success induced the company recently to take over the Government elevators in Manitoba. The provincial administration had been engaged for the past two years in the elevator business, and whether because the equipment cost too much, or the management was treated as a cog in the party machine, or the elevators

## The Grain Growers in Western Canada

were not patronized by the farmers, it suffered a deficit on the undertaking. It decided, therefore, to lease the elevators to the Grain Growers' Company for a rent which should merely cover expenses. In consequence the hold of the company upon the grain trade of the West will be greatly strengthened.

Unlike Manitoba, the province of Saskatchewan did not attempt to operate its own elevators. It preferred to establish, mainly on the recommendation of Professor Robert Magill, of Dalhousie University, whom Mr Borden has, with the happiest wisdom, appointed to the chairmanship of the new Grain Commission, a system of state-aided co-operative elevators. For this purpose local districts are formed, and after 15 per cent of the necessary capital for building and operating the elevators has been subscribed by the farmers, the provincial Government lends the remaining 85 per cent at a cheap rate. The farmers elect their own board of directors for this co-operative company, and are enthusiastically supporting it in every district. Already over one hundred and fifty elevators have been applied for, and many are actually in operation or in the course of construction. In Alberta the private elevator companies still hold the field, but the Government is considering various schemes, and will probably follow the Saskatchewan plan. The United Farmers of Alberta have recently demanded immediate action on similar lines, save that they ask the Government to guarantee bonds of the Grain Growers' Grain Company, who will build, control, and operate the elevators.

In the machinery of the grain trade there remain only the terminal elevators at the head of the Great Lakes. The farmers have long demanded Government ownership at this vital point, and Mr Borden, on his last visit to the West, gave a specific pledge that he would initiate such a policy. The Government has now announced its intention of beginning operations with the immediate erection of a 3,000,000-bushel elevator. Furthermore, the control of all



## The Grain Growers in Western Canada

terminal elevators has been entrusted to the new Grain Commission. These measures, however, have not prevented the Grain Growers' Company from leasing recently the big Canadian Pacific Railway terminal elevator at Fort William. They could not overlook such an opportunity of rounding off their system.

It may be assumed, therefore, that a large part of the grain trade in Western Canada will be controlled by a co-operative organization of the farmers themselves. But the officers of the Grain Growers' Grain Company, finding that success has followed these schemes, decline to confine their attention to the handling of grain. They have bought a large tract of timber in British Columbia, from which they intend to develop a lumber business with a view to defeating the lumber combines, which are admitted to operate in the prairie provinces. In Manitoba they have established a flour-selling business in connexion with their elevators, and have already reduced the price to the consumer. They propose to extend the system gradually to other supplies, and it is by no means improbable that they will enter upon the flour-milling business in the near future. They look forward, also, to establishing co-operative manufactories of agricultural machinery, such as the Labour Ministry is preparing to build up in Western Australia, and, if the Government of the prairie provinces do not create a system of State loans, they meditate entering upon the mortgage business. The dream of the leaders of the Grain Growers' Company is to see established at each railway depot, or at as many depots as possible, a co-operative station acting in close concert with their wholesale houses in Winnipeg and other large centres. There the farmers could market their produce, and in turn buy not only the necessities of life, but machinery and the raw material of their farming operations. Meanwhile the co-operative idea is slowly but surely taking root, and farmers' co-operative stores and buying associations are springing up in numerous districts. In many places in Western Canada the country storekeeper



## The Grain Growers in Western Canada

has to face considerable difficulties. He must keep on good terms with the wholesale houses, and has to give long credit to his customers. When the farmer gets cash for his wheat, instead of paying the local storekeeper, he often procures a shipment of goods from some of the mail-order houses in Winnipeg, leaving the storekeeper to wait for his money. As a result the latter is confronted with the prospect of extinction or of reduction to a position of dependence upon some corporation or wholesale house. In many cases he may prefer the alternative of being absorbed in such a co-operative store system as the Grain Growers are planning to evolve.

### III

**I**T was inevitable that the powerful farming interest, having become assured of comparative success with its co-operative grain company, should proceed to enter the field of politics in order to remedy abuses which are only susceptible to political action. The feeling against the entrenched position of the capitalist organizations, the railways, elevators and milling companies, and banks grew as the advantages and profits of pioneer settlement disappeared. The excessive prosperity, due to real estate increment, in the cities which are the centres of political action had dulled the edge of democratic and radical sentiment, and the farmers found that neither of the existing parties lent a ready ear to their demands and policies. Accordingly the Grain Growers' movement began to reach beyond the economic into the political field.

It is true that there have been in the history of the North American continent organizations similar in character to that of the Grain Growers. These, however, have been marked too often by a total absence of any promise of permanency; the majority, after the completion of some useful work, have perished, or dwindled away into a state

## The Grain Growers in Western Canada

of anæmic helplessness. In the nineties, when a Conservative Government was in power in Ottawa, the farmers of Ontario organized a league called the Patrons of Industry, and played an active part in defeating Sir Charles Tupper's Government; whereupon some of the leaders accepted offices from the victorious Liberals, and abandoned an independent programme. This society had a counterpart in Manitoba, which from time to time nominated candidates only to meet with indifferent success at the polls. When the Tariff Commission made its tour of Canada in 1906 the farmers had sufficient relics of organization left to collect deputations which laid their views before Mr Fielding and his fellow commissioners, and may have done something to prevent increases in the tariff.

But a new organization was gradually developed, and now has a strong and permanent existence in the Grain Growers' Associations. These have a separate existence from the Grain Company, but it is only natural that the interests of both should coincide at many points, and that the leaders should be found in the same persons. The Grain Growers' Associations are agricultural trade unions designed for the improvement of the farmer's position. They are perhaps more thoroughly organized in Alberta and Saskatchewan than in Manitoba, where various causes have contributed to the backwardness of the movement; in the three provinces their membership must now be nearly fifty thousand. Practically every district has an association with a secretary who is responsible for the correspondence and organizing work. The introduction of the rural telephone has made the success of this organization possible. Where a farmer, after a hard day's work in the fields, would have hesitated before writing a dozen letters to convene a meeting, he can now call up a dozen neighbours and complete the arrangements in a few minutes. These local associations are now being grouped into larger county associations for certain purposes, and they are all banded together in a provincial organization. An annual convention is held at some central



## The Grain Growers in Western Canada

point, and a board of directors is elected with wide powers. The convention is a miniature farmers' parliament, and much keener interest is displayed by the farmer in its discussions than in the proceedings of some of the local legislatures, whose efficiency is too often marred by the paralyzing influence of an artificial party system.

The Grain Growers' Associations supply another much-felt want in the West. They provide a unit for social organization among the scattered farming community, and an outlet for energies which might otherwise run into unworthy channels. Each local association endeavours to hold an annual picnic for the members and their families every summer, and in the winter concerts, lectures and dances are arranged under its auspices. An effort is being made to establish libraries, but at present all that can be done is to offer a supply of books at cost price from the central office. The Grain Growers' organizations have established and own a weekly paper, *The Grain Growers' Guide*, which has rapidly made its mark in Canadian journalism. The *Guide* was established only four years ago, but it has already a circulation of 26,000, and represents accurately the policy and attitude on all national questions adopted by this section of Western farmers. As far as party politics are concerned, the *Guide* adopts a neutral attitude towards both parties, and is prepared to support or attack either, as the occasion demands.

The Grain Growers have many grievances, but first and foremost at all times comes the protective tariff. In their eyes it is the origin of all evils. While themselves exporting to the open markets of the world, where the price of their produce is fixed by circumstances beyond their control, they are compelled to buy the necessities of life and the raw material of their farming operations in a restricted market. They maintain that the Western provinces are in a different economic stage from the East, and that the fiscal policy which may suit the latter does not suit the former. They quote Friedrich Liszt as recommending free trade



## The Grain Growers in Western Canada

for a country during the period of purely agricultural development, to enable the farmers to acquire what Adam Smith called "stock," and to permit the local accumulation of capital. They point out that when Ontario and other portions of the overseas states were at the same stage of agricultural settlement in the pre-Cobdenite days, they at least enjoyed the advantages of free importation of manufactured goods from the Mother Country. The East, they say, treats the West as an outlying tenant farm, from which annual rack rents can be collected, and on which no repairs are ever to be executed. They agree that some adjustment might have been possible, but when Toronto cries out at any suggestion to lay sacrilegious hands on the altar of the existing tariff, extremists among them retort that sooner or later there must be created in the West a separate Dominion within the Empire to secure a more equitable fiscal system.

The Grain Growers can weary the reader with their literature of concrete examples of the fiscal iniquities under which they labour. They can argue that it takes the value of half as many more bushels of barley in Brandon as in Minneapolis to purchase the same plough; that Canadian binders are sold cheaper in Scotland than here; that the tariff regulations are misinterpreted in favour of the lumber combines; and that the prices exacted by the Cement Trust make the expense of erecting barns prohibitive, and thus render mixed farming difficult. They contend that manufacturers of binder twine and cream separators flourish in Canada without protection, and they complain bitterly of the woollen schedules as being maintained for the benefit of a few factories. They have calculated that the tariff burden on the equipment of the average homesteader amounts to \$213. They even assert that the effect of the tariff is adverse to the continuance of the West within the Empire. The American, with his capital and his knowledge of pioneer life, and the Galician with his primitive standards of comfort, can struggle through; but the Briton, who is often a novice

## The Grain Growers in Western Canada

at farming, and always at Western farming, is overwhelmed by the burden of the tariff, despairs and drifts away, with the result that eventually there may be comparatively few inhabitants of British-born stock engaged in farming on the Western plains. They roundly declare that for military purposes a settler in the Saskatchewan Valley is a better asset to the Empire than a factory worker in Hamilton, and that for every one gained in the latter place, one is lost in the former. Manufacturers try to console them with offers of a home market; they reply that they will be dead and gone before a home market can be created in Canada sufficient to consume all their produce. They had last year a prospect of access to the American markets, where the Western farmer might have got a higher price for his hard wheat, which has become necessary to the American millers. According to the Grain Growers, "the interests" decided that this was a breach in the dykes which they had built up, and proceeded to defeat the project with all the resources at their command.

The Grain Growers made light of Mr Taft's disclosures. They continue to demand the American market, partly because of its better prices, but more because of its possibilities and the chance which it affords of breaking up the existing capitalistic combinations in Canada. They seem to have no fear that these combinations may be superseded by others more powerful. They claim that without access to its natural markets, the great industrial communities lying to the south of the border, Western Canada can never be developed beyond a certain limit, and that it is a policy of commercial waste and folly to force all the traffic along narrow east and west lines over a barren country. In answer to the fear that reciprocity might endanger the Imperial system, they would reply that people could not be made more loyal to the Empire by being kept poorer than they might be, or than they think they might be.

As for the suggested preference in British markets, the Grain Growers seem to doubt its value, judging from the



## The Grain Growers in Western Canada

resolutions which their conventions have adopted. They say that the British market is limited, and even under preference must be shared with India and Australia. Saskatchewan alone will produce, in the vivid imaginations of her real estate agents, sufficient wheat to feed the world. The American market offers advantages which could only be compensated by a food tax in Great Britain far higher than has yet been thought of in any quarter, and, even if there were any distinct gain from a British food tax, they fear that the railways and the steamship companies, having driven the grain traffic into certain fixed channels, would usurp any margin of profit and leave both the Canadian producer and the British consumer worse off than before. They contend, and perhaps with justice, that they would be hypocrites, while opposing the tariff in Canada, to assist in foisting protection upon Britain, and at their Brandon convention in January last, they unanimously resolved: "That this Convention firmly opposes any preference tariff scheme which will give Western grain growers a higher price for grain at the expense of the British workman." The same convention also demanded an immediate increase of the British preference in the Canadian tariff to 50 per cent, and arrangements for further gradual reduction which would lead to free trade with Britain within five years.

While mainly concerned in pressing for tariff changes, the Grain Growers have supported the Western Boards of Trade, which are demanding a reduction in Western freight rates. They favour the total discontinuance of the policy of railway subsidies, and, having secured Government control of elevators, they are now agitating for a Government cold-storage system, so that their beef exports may be better handled. In fact, they may be said to have in their minds a complete upheaval of the existing commercial organizations of Canada by a gradual process, and it would be too lengthy a task to specify all their demands and proposals.



# The Grain Growers in Western Canada

## IV

COMBINED with the passion for widespread economic reforms, there is in the Grain Growers a strong vein of constitutional radicalism. They dislike the party machines, and pour undisguised contempt upon the honesty and efficiency of the parliamentary system. There is little doubt but that boss-rule may be noticed at times in Canadian politics, and that corruption at elections is unduly frequent. These evils, which have never been observed to be peculiarly absent from the constituencies in which the farmers predominate, form a theme of continual mourning and denunciation on the part of the Grain Growers, whose favourite panacea for political vice is the introduction of the referendum, the initiative, and the recall. To the reformers on the North American continent, "Referendum" has become a blessed word, and the chorus of demands for its introduction is continually swelling. Its efficacy has never been fully proven, but it is a strange paradox that while radicals in North America regard it as an engine to break down the ramparts of reaction, in Britain it is advocated as a bulwark against hasty changes, and in Australia it has actually proved in practice to be a conservative force.

The Grain Growers have a peculiarly long indictment to lay against the Canadian Pacific and other railways. They complain not only of the excessive freight rates, which they declare to be much higher than those charged by American railways operating in similar territory across the border, but also of the onerous charges of the express and telegraph companies, which are either owned by, or allied to, the railways. A passage from a memorial read to Sir Wilfrid Laurier at Ottawa in 1911 can best serve to illustrate their attitude:

The third question to which we would refer you is the excessive railway tolls, both passenger and freight, which are burdens keenly

## The Grain Growers in Western Canada

felt by farmers all over Canada. There are certain provisions of the Railway Act, however, which enable the companies to bring these burdens to bear on certain localities with more than doubly greater weight, and the provisions of which they take advantage to bring into action a vicious principle of discrimination are the allowance of competitive rates and the consideration of what is termed density of traffic as a factor in framing their tariffs. We may well believe that railways will not choose to charge anything less than a profitable rate, even where competition exists, so that they should not be permitted to charge more in localities where competition does not exist, or putting it in another form—each company will endeavour to make the maximum amount of profit, and if they are permitted to cut rates because of competition they will be sure to find excuse to make it up where there is no competition.

The same memorial concludes with these demands:

1. That the principle of fixing the tariffs in accordance with the competition of other roads or the density of traffic or volume of business handled be disallowed.
2. That a true physical valuation be taken of all railways operating in Canada, this valuation to be used as a basis of fixing the rates, and the information to be available to the public.
3. That the board of railway commissioners be given complete jurisdiction in these matters as well as in all other matters of dispute between the railways and the people, and to enable them to do this that the law be more clearly defined.

The Grain Growers are extreme radicals, and the violence of their demands is in itself a barrier to their success. In certain political issues they are probably the best informed element of the Canadian electorate, but they are sadly ignorant and regardless of many of the broader facts and conditions of national life. They have undoubtedly great grievances, but they exaggerate them unduly, apparently on the principle that the most exaggerated statement is likely to be most widely accepted. They fail to realize that they are part of a great nation and Empire, and that their organization does not as yet include more than a minority even of Canadian farmers. As a result their present extremism is as abhorrent to the hitherto opportunist Whiggism of the Liberals as to the tepid Conservatism



## The Grain Growers in Western Canada

of the Tories, and a more moderate attitude would undoubtedly command wider sympathy on the part of the general community.

The Grain Growers have certain tangible results to their credit. They have obtained a series of radical modifications and improvements of the Grain Act, which, coupled with their own co-operative enterprises, have in their language destroyed probably for ever the entrenched control of the elevator and railway interests over the grain trade. They have induced the Government of Saskatchewan to inquire into the value of the initiative and referendum, and the Liberals of Manitoba and the Conservatives of Alberta have, at their instigation, included these measures in their programmes. They have forced the Government of Saskatchewan to recognize and aid the establishment of agricultural co-operation, and have made the legislatures of Manitoba and Alberta listen to similar schemes. Their influence may possibly have contributed to the establishment of the Railway Commission, one of the Laurier Government's most creditable pieces of legislation, and within the last two years their representations, aided by those of Western Boards of Trade, have resulted in the stringent investigation of the existing Western freight rates which is now proceeding at Ottawa. The Commission has already decided that the burden is on the railways to justify the present rates, and there is a prospect that reductions may be ordered.

Their actual political success has been less marked. The Grain Growers first entered actively into politics two years ago, when Sir Wilfrid Laurier made a political tour in the West with a view to furthering the fortunes of his party, then thought to be decaying in these regions. His progress was triumphant until he left Winnipeg behind. His subsequent adventures were a revelation to himself and to the rest of Canada. At every point he was met by deputations of irate farmers fresh from the fields, who lectured him on his sins of omission and commission,



## The Grain Growers in Western Canada

read to him his own free-trade election speeches of 1895 and 1896, demanded reciprocity in natural products with the United States, a large increase of the British preference, Government ownership of elevators, and reduction of freight rates, and advanced, with great earnestness, a variety of reforms which hitherto had only been mentioned in whispers at Ottawa. The farmers complained that the Liberal Government had ceased to be Liberal, and was unduly controlled by "the interests," and roundly declared that if the Liberal party did not adopt progressive principles, it must disappear, at any rate in the West, and make way for more virile forces. Sir Wilfrid met the storm by professing his adhesion to free trade, quoting the shining example of England, and promising that, if wrongs existed, they should be righted.

The attack was followed up in November by a large farmers' deputation from the West, reinforced by contingents from Ontario and the Maritime provinces, who descended upon Ottawa, and not only repeated their previous complaints and demands, but made fresh and more strenuous appeals for redress. The attempt of the Government to meet the situation by arranging for reciprocity in natural products, and the subsequent general election, are a familiar story.

The Grain Growers, while not well disposed towards the Laurier Government, determined to support reciprocity with all their strength, and fulfilled their part of the contract in Alberta and Saskatchewan, where their organization is most complete, by carrying all save two seats. They failed in Manitoba to make much headway, for a variety of reasons. Their organization was weaker, and the rural vote was counterbalanced by that in the cities and small towns, but even there a transference of 500 votes would have reduced the Conservative seats from eight to three.

The deep-seated resentment of the Grain Growers at the defeat of reciprocity found expression in the recent

## The Grain Growers in Western Canada

provincial elections in Saskatchewan\*, where the Liberal administration fought the contest chiefly on reciprocity and free trade, and, despite the great temptation of a new province to attach itself to the Federal Government for the sake of Government favours, practically overwhelmed the opposition, and left it with a bare eight seats out of fifty-four. To the Grain Grower this election means that the radical and low-tariff element will henceforth have a greatly increased influence on the councils of the Liberal party. Redistribution is already overdue, and by the automatic process followed in Canada the three Western provinces will have their representatives increased from twenty-seven to at least forty-five. In all save half a dozen of these seats the Grain Growers hope to exercise a powerful influence.

### V

WE can now estimate the true significance of a movement which is already of interest to the whole Empire. It promises to produce in Western Canada a radical, co-operative, free-trade community, not socialist in its ideals, but strongly anti-capitalist. This community will not only be large in numbers, but shows every intention of being vigorously self-assertive. To-day the movement is confined to Western Canada, but it must eventually have a far-reaching effect in the whole Dominion. Success in the West would result in its imitation in the other agricultural districts of Canada, and the ideal of a vast co-operative commonwealth of rural democracy must assuredly conflict with the aims and interests of many old-established capitalist institutions.

In politics the effect of the movement will be visible even more speedily in its influence upon the lines of party

\* July, 1912. In the recent Alberta elections (April, 1913), the number of Conservative members was increased from 3 in a House of 35 at the former election to 18 in a House of 51. (Ed.)



## The Grain Growers in Western Canada

cleavage. Hitherto there has been too small divergence of principle between the two great political parties of Canada for the good health of public life and administration. The reciprocity election of 1911 ended this condition of affairs. A real issue, forced by the Grain Growers, was presented to the electors and the quickening effect on political life has already been immense.

Canadian politics can scarcely remain as before a parochial contest between two factions whose policies were so closely akin that a cynical Westerner once offered a prize of one hundred dollars for the best essay showing points of difference between them. The Liberal party is now in opposition, and no sane public-spirited Liberal need regret the fact: Canada at the present stage of her history sadly needs a spell of the constant criticism and examination of national institutions which an active Liberal opposition, attracting, as it inevitably does, the critical and reforming minds of the community, can effectively furnish. During their tenure of office the Laurier Government pursued a policy of mild and cautious opportunism. Sir Wilfrid Laurier's idea was to develop nationalism and attract capital by avoiding violent political strife, and he succeeded. But in order to regain office, the Liberal party must enlist within its ranks all the progressive forces of the country, and the ideals and policies of the last decade must be rigorously revised and brought to a much more radical standard. In the West the Grain Growers form the backbone of the progressive forces, and their political influence may increase: not a single Liberal candidate in a Western rural constituency can hold his seat without their backing, and there will soon be forty-five Western seats. They flatly proclaim that if the Liberal party does not adopt radical and progressive policies, it must in the West at least be submerged and make way for an organization which will be less lukewarm towards reform. In short, the Liberal party in Canada must sooner or later be driven to become a Radical party, planning and advocating advanced legislation, such as the Australian and New



## The Grain Growers in Western Canada

Zealand democracies have put into practice. The evolution may be gradual, but it is inevitable.

The Grain Growers may occupy eventually the same position in Canadian politics as the Labour party does in England, that of an advanced wing in the progressive forces. There is a continual round of suggestion that a third and purely agricultural party be formed; indignant rural scribes write to the *Guide* that both parties are alike dominated by lawyers, capitalists, and other parasites, and that the spirit of freedom and equality burns brightly only on the prairie farm. There is grave reason to doubt the success of such a farmers' party. It would be devoid of any intellectual resources save in rare cases. Farmer candidates are rarely a success. On the platform in joint debates, which are a common feature of Western elections, they show up in cumbersome contrast to some glib barrister or smart machine politician on the other side, and their range of knowledge is rarely sufficient to provide the lengthy oration which a rural Canadian audience demands as its due. Furthermore, a vein of jealousy lies deep in most agricultural minds; there is often a conspicuous lack of enthusiasm among his neighbours at the prospect of some farmer's election to the dignity of a seat even in the local legislature. A farmers' party might hold many seats and wield a certain power, but it would require a long process of political training and development before it could achieve by itself any marked results as a progressive force. Finally, the Canadian farmer is often the victim of his suspicions. He too often regards the Canadian cities above a certain size as hostile garrisons planted in the land, inhabited wholly by vicious and greedy middlemen and parasites who treat the toiling farmers as helots and serfs, and out of the proceeds of their exactions lead lives of Sybaritic luxury and Babylonian iniquity.

The Grain Growers seem to have convinced themselves that there has been set up and organized in Canada a powerful interlocking capitalistic system with its head centres in the railway companies, the banks and the manu-

## The Grain Growers in Western Canada

facturers, which owing to low standards of political life has for its own purposes and by reason of its wealth and influence, acquired a complete predominance over the farming community and other producing classes; but they would find it hard to rebut the charge that their own rural democracy is selfish, quarrelsome and apathetic alike towards culture and good manners. Many of their contests are against recognized abuses, but they weaken their case by their disinclination to assist in good causes. Their attitude is too often that of truculent, selfish extremists, and as a result there are many joints in their armour.

As far as Imperial matters are concerned, they have been preoccupied with their own local problems, and as a body have given extraneous affairs little consideration. At their recent convention at Brandon they carried a resolution condemning the naval policies of both parties and demanding a referendum on the subject. They completely fail to recognize that, as grain exporters, they are probably more vitally interested in the Empire's naval supremacy than any other class in Canada. Evidently they regard any naval policy in Canada as the fruits of jingoistic capitalist ostentation and protectionist desire to consume revenues and avert lowering of tariffs. Their attitude illustrates one of the grave dangers of Imperialism in Canada. Devotion to the Empire has too often been tacitly assumed as a monopoly to be shared by the loyalists of Toronto and financial magnates, and as a result Imperialism has become to a certain degree suspect by the man in the street. There is no reason why the Grain Growers should not be as good Imperialists as the directors of the Canadian Pacific Railway, and closer union with highly radical democracies like New Zealand and the Mother Country might bring to them great advantage in hastening the pace of legislation as soon as there was greater interchange of ideas and comparison of methods. In the near future they may be able to prove themselves, at least in appearance, more ardently affectionate towards the Mother Country than the Ontario manufacturers, if they



## The Grain Growers in Western Canada

induce the Liberal party to adopt and pursue to an end their policy of freer trade with Great Britain. The Grain Growers have been denounced at times as destroyers of the Empire, unscrupulous agitators and American seditionists. The last charge is peculiarly false, for in the directorate of the three Associations there is only one man of American birth, and it is a well-known fact that several of their ablest leaders are British born, including the president and secretary in Alberta, and the secretary in Saskatchewan. The suggestion which has been put forward in certain quarters that all who supported reciprocity did so from motives of hostility to the Imperial connexion is deeply resented by Canadian Liberals and Grain Growers alike.

There may be many faults to find with the Grain Growers, but they must be regarded as the main hope of democracy in Canada, and the spear-head of the reforming forces whose aspiration ought to be to save Canada from the harrowing experiences of her southern neighbour at the hands of an organized and selfish capitalism. They have a clear idea of the goal which they seek, a vast co-operative agricultural community freed from the tyranny of corporations, railways, and manufacturers' associations, enjoying continuous prosperity under the British flag, and evolving a free, contented yeomanry as a backbone for the population of the Dominion and a saving strength for the British Empire. There can be no greater bulwark for the British connexion in Western Canada than the establishment of such a co-operative system in pleasing contrast to the individualistic scramble of the United States. Its founders and sponsors would be the last people to sanction its absorption in that scramble by any scheme of political annexation. It will always be possible to criticize the manners and methods of the Grain Growers, but true friends of the Empire ought to wish them well.



## THE ETHICS OF EMPIRE

### I

MORE than a century ago Burke said (in reference to the Imperial problem) that "magnanimity in politics is not seldom the truest wisdom, and a great empire and little minds go ill together." On another occasion, he recorded his conviction that "the principles of true politics are those of morality enlarged." His words apply with even fuller meaning to the problem of Empire to-day and their truth is borne out by history. Kingdoms won by lust of conquest, like those of Attila or Tamerlane, vanished as swiftly as they rose. The most enduring empire in history was that of Rome. It drew its strength from the racial character of a people inspired by devotion to the community and disciplined to sacrifice every personal interest at the call of public duty. It endured because its policy was grounded, not on desire for wealth or glory, but on the permanent essentials of civilization. For its rulers, finance and war were but instruments to the maintenance of law and order. What is true of ancient Rome is true also of modern Britain. If the British Empire is destined to endure, it will be only as the guardian of the moral welfare of its peoples. Faith in this mission alone can justify the effort to further its consolidation.

If this be so, it is natural to enquire why the policy of closer Imperial union is so largely identified in the public mind with questions of material advantage. The answer

## The Ethics of Empire

lies in the nature of the arguments put forward by its advocates. The men who initiated the policy set themselves to prove its necessity on grounds either of national economy or of national defence. Doubtless both these lines of argument have their value. They have succeeded, especially the latter of them, in carrying conviction. But they do not strike to the root of the problem of Empire, or furnish, as they stand, an adequate justification of closer union. Economic argument in particular is open to serious objections. It is always too inconclusive to produce clear conviction. There is scarcely a single economic question of importance on which the experts are not at variance. The man in the street has neither the leisure nor the equipment of knowledge requisite to weigh the conflicting arguments. Where the arguments are highly abstract and theoretical, the controversy is bound to strike the public as academic. But the main objection is that the issue is not really an economic one. The problem of Empire is a political problem, to be determined not by the standard of wealth, but by that of national well-being. Neither the past history nor the future destiny of the Empire can be tested in the economic crucible. A great nation cannot be governed "on the maxims of the counter."

The argument on grounds of national defence has the advantage over the economic that it is at once concrete and political. Consequently it has carried more conviction, and has borne fruit in the adoption of certain preliminary steps to closer union, e.g., the development of the Defence Committee of the cabinet, the grants of naval support by Dominions and Dependencies, and the admission of Colonial statesmen to the *arcana* of foreign policy. It is of vital importance, because the ideal of a united Empire must be shown to harmonize with the claims of national security. To live well a people must first live; and an ideal that ignores the primary conditions of national existence is a castle in the air. But the goal of a nation is to live well, and the policy of closer union has in view a more extended purpose than

## The Ethics of Empire

co-operation for mutual defence. A policy grounded solely on this motive may win acceptance, but the acceptance will be reluctant, under the pressure of facts. It will be the outcome of compulsion from without, not of national aspiration from within. And there is a further danger. Democracies are slow to master international situations and do not readily take long views in politics. The need of union for defence may be recognized too late.

The economic and defence arguments for closer union cannot stand alone. Their due place is in subordination to, and in confirmation of, considerations of a broader and more convincing nature. Neither a *Zollverein* nor a *Kriegsverein* will suffice to solve the Imperial problem. The conception of a British Empire, welded into a solid and enduring political union, must be shown to be the mutual and necessary satisfaction of the moral interests of its members. It must appeal convincingly as an ideal of moral welfare to the ardour and imagination of a democratic people.

This assertion rests on an assumption which to many will appear paradoxical. Is it true that a nation will respond to a moral appeal more readily than to one based on grounds of material advantage? Such a suggestion is almost unintelligible to the professional politician. He is by nature and habit an opportunist, one whose horizon is bounded by the expediency of the present moment. But the plain man, fretted by the unreality of party controversy, looks, and often in vain, for a political leader inspired by personal conviction and for a policy addressed to the sound moral sense of the community. Failing these, he is apt in his ignorance to catch at any travesty of idealism that stirs his imagination and his feelings. He asks only that the appeal, be it wise or foolish, should accord with his moral aspirations. The hold that Socialism has won is evidence of this. The nerve of its appeal is not so much the attack on property as the claim to offer a gospel of national salvation. It comes forward—though in masquerade—under the guise of a religion. It borrows the machinery of religious organizations,



## The Ethics of Empire

and has its catechisms and Sunday schools. Its strength lies in its spirit and goal, not in the detail of its means. It preaches a better and brighter life for the people. The same is true of the social reforms preached from the platform by Mr Lloyd George. Superior people censure him for rhodomontade and sentimentalism, but in so doing they miss the point. He is sincere, and speaks to those who are suspicious not of error but of insincerity; he speaks as an idealist to idealists, proclaiming the advent of better days for the toiling masses, and evokes an instant response. The working man does not criticize his proposals any more than those of the Socialist. He is carried away by the moral appeal. The cynical observer may suggest that the efficacy of the appeal lies in its emotional extravagance rather than in its moral quality, but this is not necessarily the case. What is it in Lord Roberts' advocacy of universal military service that compels the attention and often the assent of the man in the street? It is not so much the sense of national peril or the logic of the argument as the moral personality of the speaker and his call for personal sacrifice in the name of duty, a call which every man, whether he obeys or not, can understand. The more intelligent among the working classes welcome with eagerness any serious discussion that bears upon problems of life and action. Those who have experience of the summer schools for artisans held periodically at English universities can bear witness to their interest in such questions, even when handled from the standpoint of speculative philosophy. The discussions tend to gravitate from social and economic topics to the wider issues of ethics and metaphysics. They leave the impression that what the men are in search of is a philosophy of life that will lift them above and beyond the depressing industrial conditions with which they are but too familiar. It is these thinking minds among the working classes, rather than the politician or the journalist, who in the end mould the opinion of their fellow workers. The advocates of closer union should lay the moral to heart. If the working men of

## The Ethics of Empire

England are to be stirred by the thought of Empire, it will be when that thought kindles their imagination and enlarges their outlook upon life.

History affords abundant illustration of the power of moral ideals to rouse a people to action. The philosopher, too, has borne his part in great national movements. The ethical teaching of Fichte was a potent influence in awakening the youth of Germany to resist the Napoleonic despotism. The ardour of young Italy for national unity and freedom was kindled and ennobled by the moral idealism of Mazzini. Without Mazzini the astute statesmanship of Cavour would have been powerless to liberate Italy from the Austrian yolk. Cecil Rhodes, despite certain obvious faults, won a hold upon the people of South Africa by strength of an imaginative idealism in which philosophy had its place.

The development of the British Empire teaches how moral conviction and devotion to duty have inspired the building of the structure. Opponents of Imperialism are wont to suggest that the story will not bear inspection, that it is largely a record of self-aggrandizement and greed. Such a charge betrays ignorance of its history. It is true that the Elizabethan pioneers recked lightly of aggression and plunder, for they were combatants in the life-and-death struggle against Spain. It is true that in the seventeenth and eighteenth centuries the expansion of Britain in east and west was governed by interests of commerce; but it is also true that with the assumption of responsibility economic ambition was subordinated to the moral ends of political government. The gradual transformation of the East India Company from a trading corporation into an instrument of government shows clearly how, when the Empire was once in being, the interests of wealth yielded place to those of law. Commercial and strategical motives led England to Egypt, but her policy there was directed to the reform of abuses and the maintenance of rights. The men who have laboured most enduringly at the fabric of Empire were not



## The Ethics of Empire

getters of wealth or plunderers of spoil. It was due to their strength of character and moral purpose that British rule in India and Egypt has become the embodiment of order and justice. The story of their lives has never failed to stir their countrymen to admiration, and there is no surer remedy for misconception as to the moral function of the British Empire than the study of the men who made its history.

### II

**B**ISHOP CREIGHTON is said to have observed that Englishmen not only have no ideas but hate an idea when they see one. The truth is rather that while Englishmen have a deep dislike of theories which they suspect of being academic, they are highly susceptible to those which steal into their horizon unobserved. When a new political doctrine is proclaimed by a group of thinkers, it is received by the British public with apathy or avowed antagonism. Gradually it works its way through journalists and intellectual middlemen into the mind of the community, until after a generation it is accepted without question by the intelligent public. It has ceased to be the hallmark of a sect and has become part and parcel of "the wisdom of our forefathers." So it was with Puritanism in the seventeenth century, and later with the Whig doctrine of the social contract; so it was also in the Victorian era with the political and economic theories of the "Manchester" school. The danger that attends this process is that by the time the theory wins wide acceptance it has ceased to fit the facts.

The indifference felt by democratic idealists towards the British Empire is part of the baneful inheritance from the Utilitarian school of thinkers who flourished in the earlier half of the nineteenth century, the school of Bentham and the two Mills, of Cobden and the Manchester economists. The motive of their philosophical speculations was zeal for



## The Ethics of Empire

practical reform. In an age when abuses were rampant, they confronted them with the weapon of dispassionate logic, and, regardless of authority or tradition, arraigned the institutions of their country before the bar of reason. They devised a system of ethical and economic doctrine to serve as a groundwork for their projects of reform. Inspired with a naive optimism in regard to the power of intelligence to rule men's conduct, they believed that the practical adoption of their theories would bring with it a social millennium. Fruitful as was their crusade in reforming abuses, especially in the penal code and the administration of justice, they were singularly disqualified to initiate a constructive policy. They were doctrinaires without imagination, who regarded art as misrepresentation and religion as fanaticism, ignorant alike of the significance of history and of the force of human passion. Faced with the complexities of life, they simplified artificially both the problem and the solution. James Mill aspired "to make the human mind as plain as the road from Charing Cross to St Paul's." Bentham's aim was "to introduce a mathematical calculation upon subjects of morality." Men in their eyes were economic units, actuated by a single motive, desire of pleasure. The State was an economic instrument, designed to secure the maximum of a limited supply of pleasure for the individuals composing it. In itself "all government was one vast evil"; they advocated democracy not from faith in the people but because a government would only be restrained from plunder if it were representative and responsible. Such men were hardly likely to understand the problem of Empire or the moral ideas that underlie an Imperial policy. In their system of morals there was no room either for duty or for personality. Of duty Bentham wrote that "if the use of the word 'ought' be allowable at all, it *ought* to be banished from the vocabulary of morals." Obligation to perform an action meant to him simply that you will be punished if you don't. Equally destructive of the idea of personality was their belief that character was the product of and was indefinitely modifiable by circumstances, i.e.

## The Ethics of Empire

by the artificial manipulation of pleasures and pains regarded as external motives. Further, the individualism of these thinkers, their rooted mistrust of State interference, and their economic gospel of *laissez faire*, found expression in the well-worn analogy that as the fruit when ripe drops from the tree, so the colony on emerging from tutelage will become independent of the mother-country.

The mission of the Utilitarians ended with the removal of the abuses that gave it birth; they were impotent to solve either the industrial problem at home or that of Empire beyond the seas. They failed because their doctrines were abstract and academic, out of touch with the concrete realities of the national life. Already in their own day they were assailed from various quarters by men of more constructive imagination and deeper insight into human nature. Writers as diverse as Newman, Disraeli, and Carlyle were at one in branding Utilitarianism as the enemy. Newman records in the *Apologia* that "the most oppressive thought, in the whole process of my change of opinion, was the clear anticipation, verified by the event, that it would issue in the triumph of Liberalism"; a Liberalism associated, he tells us, with the doctrine that "Utility and expediency are the measure of political duty."\* Disraeli wrote in 1833 that "the Utilitarians in politics are like the Unitarians in religion; both omit imagination, and imagination governs mankind." But the fiercest of their critics was Carlyle. To the moral criterion of pleasure and the individualist conception of the State he opposed the ideal of duty and the promotion of moral personality as the end of government. He too based his teaching on the speculations of philosophers. He drew inspiration from the great minds of Germany who in the two preceding generations had reconstructed the foundations of European thought—Kant, and Kant's successor, Fichte. Their speculations in this field centred in precisely those two governing ideas of duty and personality for which the Utilitarians left no place. By aid of those ideas, they

\* See Newman's *Apologia*, iv, § 2, and (especially) Note A.



## The Ethics of Empire

exhibited the State as a moral institution, existing for the moral welfare of its members, for whose activities and obligations it furnished at once the arena and the opportunity. Carlyle set himself to apply these doctrines to the problems of Victorian England. In *Heroes and Hero-Worship*, in *Sartor Resartus*, in *Chartism* and *Past and Present*, we see the fruits of this inspiration. We may well ask the question, whether the ideas that proved so relevant to the social and industrial problems of Carlyle's generation may not have a like significance for the problem of Empire in our own.

### III

DUTY is an abstract term, but the facts it signifies are the most concrete and real in our experience. The essential thing is to grasp its meaning as a motive power in men's lives. We must think of duty, not as a vague abstraction, but as realized in particular cases, such as those of Speaker Lenthall in the presence of King Charles, or of Nelson on the morning of Trafalgar. Thus considered, it has two sides. It implies an ideal motive, clearly distinguishable from the expediency of the moment. In ordinary private relations, like those of parentage or friendship, every one admits this distinction. But in public life, save where political action directly touches personal honour, it is apt to be forgotten. People think that "politics has no morals" and ignore the truth of Burke's maxim that "the principles of true politics are those of morality enlarged." They restrict their outlook to the material interests of the situation, whereas regard for public duty requires the subordination of particular situations and material interests to ideal ends. It is not that the dictates of public duty are necessarily inexpedient, but that they point to something higher and more enduring, which is often in sharp contrast to the apparent expediency of the hour.



## The Ethics of Empire

Where this ideal motive is wanting, political action degenerates into opportunism, and history teaches on every page that opportunism, in the long run, spells disaster. Nor, again, are ideal principles exclusive of ambition. Rather is the ambition of the statesman praiseworthy or depraved according as it is inspired or not by such ideals. "I know that I can save this country, and that no one else can" was in the elder Pitt the expression at once of an ideal purpose and a generous ambition.

But duty implies something more than the mere ideal intention. It implies insight into a given situation of fact. It is in relation to particular situations that the principle of duty is translated into a concrete obligation. Duty is always duty here and now, not duty in general; and clear knowledge of the situation is requisite if the obligation is to be effectively discharged. Where this practical insight is wanting, the resulting action, however well intentioned, will issue in blunder; and history teaches again on every page that political blunders are worse than political crimes.

In the history of the Empire the most fruitful work has been accomplished by men whose acts were inspired by public duty, enlightened by clear insight into the facts they were called upon to face. Errors in Imperial policy have been due in the main not to lack of moral intention on the part of Governments, but to their failure to recognize the actual nature of this responsibility. The South African policy of the home Government throughout the greater part of the nineteenth century is evidence of this. British statesmen did not trouble themselves to become acquainted with the facts. They trusted to virtuous intention, backed up by one-sided and partial information. In other words, they failed in duty. As always happens, neglect of the one essential—clear knowledge of the facts—led to neglect of the other—the ideal principle, as was evidenced in the opportunism that marked their decisions when, after Majuba, the situation became so serious that they were forced to pay attention to it. The responsibility

## The Ethics of Empire

for the South African War rests not on Mr Chamberlain nor on President Kruger, but on the criminal indifference of the successive governments who, in the half century after 1814, helped to pave hell with good intentions, and in deference to an abstract theory of duty turned their backs on the real obligations of Empire.

Englishmen still need to be reminded of the lesson. National responsibilities are marked out at each stage of history by situations of fact, and to-day the situation of fact, for good or evil, includes the fact of the British Empire. The responsibility is not one to be chosen at will, or one that the British and Colonial democracies may take or leave. It is one that concerns not only their own welfare, but that of millions of less civilized human beings whose moral destiny is entrusted to their charge. No State in human history has ever been confronted with a responsibility so tremendous. This responsibility demands that it should be faced, and, if the issue is not to prove disastrous, it must be faced in the twofold strength of clear insight and of moral conviction. There are, as always, the two paths that lead to ruin. There is the path of opportunism, the path of the party politician and the Colonial Office official, of the men who know the facts, but are blinded to ideal principles by the interests of the moment. And there is the path of unenlightened idealism, which shrinks from the burden of responsibility, or offers an abstract theory as a panacea for a practical emergency.

Social reformers in this country are prone to speak slightly of the problem of Empire. Radical idealists oppose the ideal of domestic reform to that of Imperial union. It is well to recognize that the very fact of their idealism entitles them to a respect denied to the opportunist. And signs are not wanting that the minds of Radical reformers are opening to the urgency of the Imperial question. A striking address was delivered recently at the Reform Club by Mr E. D. Morel. He recognized "that a mass of prejudice has gathered round the word Imperialism, and that it



## The Ethics of Empire

is not a popular word in Liberal circles." In face of this prejudice he urges the moral significance of the Empire to the English-speaking race.

We must make it clear that the Empire, as we regard it, is an instrument forged by the British race, which has to its credit marvellous achievements in the cause of human liberties; a structure many of whose finest pillars have been constructed by the Liberals of Great Britain and which must endure for the good of humanity; "the greatest force"—as that stout Liberal, Sir Wilfrid Laurier, once said—"that ever existed for the rights of man in history." To preserve that force, and not only to preserve it, but to preserve its glorious traditions, and so to perfect the Imperial edifice that it may successfully weather the growing seriousness of the problems with which its architects have to grapple—such, I make bold to state, is the ideal which should commend itself to British Liberalism.

Recognition of responsibility is a call to action, and abstention is always contrary to duty. It is not a bad maxim in politics to act in favour of the more constructive policy. We all know the type of idealist who is the victim of the spirit of negation, the Mephistophelean spirit that ever denies ("*der stets verneint*"), who remains inert and critical when confronted with a positive obligation. The problem of Empire, as a problem of national duty, calls not for idle criticism but for constructive solution.

### IV

THE end of the State is to make men, and its strength is measured not in terms of defensive armaments or economic prosperity but by the moral personality of its citizens. The limits to its action are prescribed not by abstract doctrines of non-interference, but by the fact that the development of human character depends rather on individual enterprise than on governmental regulation. But within these limits the function of the State is positive and ethical, to secure for its individual members that they



## The Ethics of Empire

shall not merely live but live well. Social reformers are prone to insist too strongly on an ideal of material comfort for the people. This prejudice is part of their inheritance from the school of Bentham. A life of satisfaction depends not on higher wages or lower prices or on leisure for recreation, but on work that calls into play the higher capacities of man's nature. The curse of present-day industrial conditions is their paralyzing monotony. They offer little opportunity for the play of human sympathies and human interests. They give but narrow scope for the growth of individual personality. What is essential to that end is an enlarged outlook upon life and a wide field for individual energy. The cry of the masses should be not for wages or comforts or even liberty, but for opportunities for enterprise and responsibility.

A policy of closer union in the Empire is full of significance in relation to this demand. It promises a life of energetic activity to those who settle in countries beyond the seas, where capacity and merit are less hampered by tradition and social custom than at home. But what is perhaps less obvious but even more important is the enlargement of outlook and responsibility that must result as the Empire grows in solidarity. The British and Colonial democracies alike suffer from political parochialism. Their horizon is too rigidly bounded by their immediate environment. We may draw a useful moral from the independent City States of the past. The rich civic life of ancient Athens or of thirteenth-century Florence, bearing fruit in a marvellous wealth of individual genius, drew nourishment from the passionate rivalry that ranged city state against city state in war. Constant engagement in mortal conflicts roused intensity of civic feeling and opened a field for personal distinction that made life worth living to the humblest citizen. It is infinitely harder for the modern state, aspiring to live at peace with its neighbours, and peopled by millions of inhabitants, to realize the sense of life as it was realized in these small communities of a by-gone age. There is but one way of promise. It is that the peoples of the Empire shall realize their national unity and

## The Ethics of Empire

draw from that ideal an inspiration to common endeavour in the fulfilment of the moral obligations which their membership of the Empire entails. The recognition of common Imperial interests is bound to broaden both their basis of public action and their whole view of life. Public life is ennobled by great causes and by these alone. If it be true that "a great empire and little minds go ill together," it is true also that the conduct of great affairs inspires the imagination and elevates the character of those who share in it. Political corruption, place-hunting, and party intrigue have their natural home in small communities, where attention is concentrated upon local interests. Great public causes call into being the intellectual and moral potentialities of a people. In such moments the mediocre politician of yesterday either rises to the occasion or yields place to statesmen of higher moral quality. Here as always it is true that the spirits of men "are not finely touched save to fine issues."

But it is not merely within the sphere of politics that enlarged national responsibilities touch the life and character of individuals. The State is not, as the Utilitarians used to think, merely an artificial aggregation of individuals who in order to secure protection for life and property frame a combination involving diminution of private liberty. Both common experience and philosophy teach that men are made what they are through membership of the corporate life of the community. Their liberties, their rights, their personality have life and being only in the life and being of the State. The being of the State is to be sought not merely in political and administrative institutions, in the tax collector or the policeman, the civil service or the legislature, still less in the arid formulæ of a constitutional treatise, but in the living spirit of patriotism that kindles men to jealousy for their country's honour and to sacrifice in their country's cause. The phrases "national character," "national will," and "national personality" are no empty catchwords. Every one knows that *esprit de corps* is not a fiction but a reality; that the spirit animating a college or



## The Ethics of Empire

a regiment is something that cannot be measured in terms of the private contributions of the individual members. The co-operation of students or soldiers in a common endeavour, so far from restricting their scope for self-development, endows each with capacities for action which could never be realized in a life of isolation. The individualist theory of the State, though moribund, persists with stubborn resistance. It is the last survivor in these days of the Utilitarian abstractions. The "economic man" has perished, but the "economic State" dies hard. It is destined to receive its quietus from the recognition of the fact of the Empire.

Growth in Imperial solidarity will thus be fruitful in influence on problems apparently remote from that of political union. When idealists in this country concentrate on projects of domestic reform to the disparagement of the problem of Empire, they show themselves blind to the real nature of the cause they have at heart. So far from being in antagonism, the two problems can be solved only in correlation. It is not merely that a heightened sense of responsibility will strengthen the nerve of the nation to grapple with poverty and crime, but that the welfare of one member of an organic body can only be realized through the welfare of the body as a whole. The social problems in these islands, like those in India and the Dominions, demand for their solution the efforts of a united Empire.

It has been the purpose of the foregoing pages to show that the foundations of Empire are the simple principles of duty and moral personality. Here, as everywhere in human experience, it is the simplest truths that are the hardest to understand and practise. While the practical person looks only to what pays, the idealist takes refuge in Utopia.

Each must learn his lesson if his work is to be of enduring value. The practical man has to see that peoples are moved by ideals as well as by material interests, that the march of history is governed by moral even more than economic causes. The conception of a *Realpolitik* uninspired by ideal



## The Ethics of Empire

motives betrays a childish ignorance of the realities of life. Modern Germany was not fashioned by blood and iron. It was the moral fibre of a great people that triumphed at Leuthen and Leipsic, at Königgratz and Sedan. What counts in history is individual and racial character, and force of character is proportional to force of moral conviction. The only sure path for national statesmanship is that of a practical idealism which seeks something higher than mere expediency in the fulfilment of public duty and in the furtherance of the moral welfare of the community. "Where there is no vision, the people perish."

The idealist, too, has his lesson to learn if his aspirations for the good of humanity are not to remain quixotic and unfruitful. He must face the facts of the situation. No serious student of the problem of Empire can fail to be impressed by the indifference or avowed hostility with which many of the most ardent social reformers view a constructive Imperial policy. That this should be so must cause him searching of heart. There have been faults on both sides. The advocates of Imperialism have failed to throw into natural and just relief the moral interests which their policy, and their policy alone, can satisfy. Idealists, on their side, have clung to the inheritance of an outworn theory of government, with its shibboleths of *laissez-faire* and individualism, its blind confidence in economic generalizations, and its prejudice against the Empire as a useless and expensive burden.

We have remarked how Englishmen accept ideas with reluctance and hesitation; but they hold to them, when once accepted, with an almost animal tenacity. The creed of the so-called Little Englander is the dying relic of an effete political philosophy within the field of domestic legislation. The Utilitarian theory of government has been renounced by idealists of all sorts and parties. Spencer's "Man *versus* the State" survives only as an historic curiosity. Pressure of fact at their doors opened their eyes to the illusion of the theory. Pressure of fact to-day is enforcing the same lesson in relation to the wider problem of Empire.

## The Ethics of Empire

There are signs that the day is not far distant when the problem of Empire, like the kindred problems of foreign policy and the navy, will be lifted above the arena of party controversy. Too long has the championship of Imperial interests been associated in the public mind with a single party in the state.

The call to Radical idealists is that they should face this problem in its entirety. Hitherto their interest in political issues outside the borders of the United Kingdom has been for the most part confined to the two questions of native races and international peace. But these are the very questions that demand for their solution a constructive Imperial policy. It is significant that in Mr Morel's address, already quoted, they are singled out as evidence of the necessity of closer union. Speaking of the "common purpose which, when all is said and done, is and must be the bed-rock of our Empire—our responsibility for the happiness and welfare of the weaker races living under the protection of the British flag," he points out that "hitherto the people of these small islands have confronted this responsibility single-handed," and appeals to the "common trusteeship" of these native races as a moral interest which a policy of closer union alone can effectively secure. Similarly, in giving reasons "why Liberal opinion should welcome Colonial participation both in Imperial defence and in foreign policy," he urges that such participation "should tend to lessen the burden of naval armaments" and "should be an influence in favour of peaceful relations with the rest of the world." To any man acquainted with the character and interests of the Mother Country and the Dominions, the suggestion that a united Empire would use its strength in aggression against other nations is simply unthinkable. Rather would such a union prove an effectual guarantee of the peace that at present is imperfectly secured by a balance of combinations among the European Powers.

The peoples of the Empire are face to face with a unique and an historic opportunity. It is their mission to base the

## The Ethics of Empire

policy of a great Empire on the foundations of freedom and law. Political liberty had its birth in ancient Greece, but dissolved in the Greek city-state into political anarchy. The Roman Empire established law at the cost of freedom by the instrument of bureaucracy and despotism. The mission of the modern state is to realize their union. The Mother Country and the oversea Dominions have, each within their several borders, wrought strenuously at the task. It remains for them to crown the structure by the institution of a political union that shall give solidarity to the Empire as a whole. Duty and the logic of facts alike point this goal of their endeavour. They are bound to go forward or to go back; and the policy of closer union finds its justification in the faith that will carry it to completion.



## UNITED KINGDOM

### I. POLITICAL APATHY

THE chief feature of the past three months has been a singular want of interest in public affairs. In the House of Commons and the House of Lords alike proceedings have been marked both by dreariness and apathy; and whether the apathy be the cause or the consequence of the dreariness, there is no doubt as to the existence of both. Naturally enough, this listlessness has been reflected in the press, and communicated by the reporters and writers of leading articles to the man in the street. The condition of things is not unlike what is observed in a country house on the day after a hunt ball or Highland gathering, when people are seen yawning in corners, and no one seems able to keep awake without a vigorous effort of the will. In a recent speech Mr Balfour examined another aspect of the same matter—the disregard of Parliament, which, in his view, has been creeping on us unobserved ever since 1874, when he first entered public life. He was there discussing in a philosophical spirit the tide in the affairs of the British democracy, while what occupies our attention at the present time is something different—a sharp, temporary, noticeable change, a sudden great backwash like that which frequently precedes an earthquake wave. But when Mr Balfour said that events had “greatly destroyed the House of Commons’ own interest in itself,” and when he added that “directly the House of Commons ceases to be interested in itself, no

## Political Apathy

human being is going to be interested in it," the remarks were no less applicable to the particular phenomenon which confronts us at this moment than to the general tendency which, if he be correct, has been slowly manifesting itself over a prolonged period. For evidence of dreariness and want of interest it is not necessary to look further than the very first day of the session, when, according to *The Times*,\* "there was a good deal of apathy in both Houses, and members of the Commons are already speculating as to whether they will get a fortnight's or three weeks' holiday at Whitsuntide!"

What, then, is the cause of a change so remarkable that it has attracted general notice and comment? Without any doubt, it is due in part at least to the effects produced by the Parliament Act. The idea is prevalent, and will not be shaken off, that the present session does not matter very much. Certain formalities have to be attended to. The great measures of last year have to be passed a second time. There will be a considerable amount of walking round in the division lobbies. The closure will work with the regularity of a piston-rod. If any one of the bills be amended in a single particular, it will become dead automatically; and in all probability the Government will be buried in the same grave. So as nothing can possibly be changed, perhaps the less said the better. More talking by Ministerialists will not help the Government, nor will more talking by the Opposition much hinder the Government. The work, therefore, which lies before the House of Commons at the present time is certainly arduous, and it may be necessary; but it is not such as will ever be undertaken without disgust by intelligent and self-respecting men.

So this session appears not to matter very much, while last session did matter a great deal; and the contrast between the two seems to have taken the zest out of public life. Gradually the melancholy reflection is forcing itself upon us that under the working of the Parliament Act certain disadvantages are

\* March 10.

## United Kingdom

inevitable. It is inevitable, for example, whenever the Liberal party comes into power that the House of Commons will be driven almost to death during the first session. Night after night, month after month, from January to December, and on through a second January and a second February, and probably well into a second March members will be wearied with a flood of impoverished and acrimonious speech, will be hustled and herded into the "Aye" lobby and the "No" lobby, and counted up, and sent back again to sit on the leather benches till they are required to be counted once more. And the work itself will be scamped and done imperfectly. Trifles will be spun out and important issues left unconsidered. The minds of members, cumbered and worried with too many prime issues, will be unable to give proper consideration to all of them, or perhaps to any of them. Such were the features of that session which lasted throughout the whole of 1912 and which only came to an end in March of the present year. Its work consisted in having passed bills to establish Home Rule in Ireland and to disestablish the Church in Wales, and in having attempted but failed to pass a Reform Bill for Great Britain. The substantial truth of this account will be admitted by everybody, no matter to what party he may belong; and to admit it is the same thing as to regret it.

And if with a Liberal ministry in power it be inevitable that during the First Session of a new Parliament the human machine will be overworked, it appears equally inevitable that the Second Session must be dreary and lifeless. Private members to-day are stale from overwork, and perhaps even more from work unduly prolonged. The leaders of the Opposition, with their greater responsibilities, are even staler. Ministers with responsibilities still heavier, with anxieties outside Parliament as well as inside, and oppressed by the ceaseless drag of administration, are the stalest of all. The great political canoe which shot the rapids of last session without shipwreck is now resting in an eddy; and while from behind the sound of the rapids which have



## The Discouragement of all Parties

just been passed is still echoing, from before the roaring and booming of those which will have to be encountered during the session of 1914 are already becoming audible.

So far as the attention of our politicians can be said to be fixed upon any serious problem of public affairs it is fixed upon the session which will begin in January or February of next year. The measures which by that time will have been twice passed will then be passed a third time and become law. For men of all parties this prospect is charged with anxiety. Everything is uncertain. It is full of possibilities, none of them very reassuring, in spite of the hopes by which they are still illuminated; some of them the very reverse of reassuring. Meanwhile our public men are dozing between the labours of 1912 which have exhausted them and those of 1914 which are not likely to prove one whit less strenuous. They have "slobered into a sleeping"; but their repose is restless, and their dreams disturbed. Perhaps by and by they will rise refreshed, and this is devoutly to be wished. Perhaps, however, they have fallen asleep in a snow-drift, and when they awake may find themselves in the world of the politically dead.

### II. THE DISCOURAGEMENT OF ALL PARTIES

**A**NOTHER obvious cause of the apathy and dreariness of politics at the present time is the disheartenment of all political parties. Even in the case of the Opposition, whose spirits under normal circumstances tend to rise as those of their opponents sink, the depression is noticeable. Many, if not most, of their best fighting men are to some extent discouraged by the abandonment of the Food Taxes. They may have consented to this abandonment willingly or unwillingly, but they are discouraged all the same. Any change of policy in a political party is a disturbing influence, but as the change is an advance or a retreat, an adding-on of

## United Kingdom

something or a giving-up of something, it affects the different sections of the party in different ways. The addition of a new and bold idea will usually warm and delight the hearts of the fighting men; but it will just as certainly discompose the minds of the cautious partisans. And, on the contrary, the withdrawal of an unpopular item from the party programme, though it may comfort the souls of the prudent, will inevitably distress and humiliate to a greater or less extent the proud military spirit of the fighters. So it has been in this case. And now the cautious and the prudent are realizing—what perhaps they did not reckon with enough at the beginning—that the preponderance of certain opinions, however overwhelming, is not everything; that the value of the fighting men, who are never more than a handful in any party, is beyond all proportion to their numbers; that it is not less important to have your small minority of warriors in good fettle than to have your vast majority of the other sort comfortably persuaded. It is easy, according to our political affinities, to exaggerate or to make too light of the extent of this influence at present. It undoubtedly exists, but it seems to be gradually lifting and passing away. It would probably be fair to sum up the situation by saying that the Opposition seem to be gaining confidence, but are not yet by any means in an exultant mood. It is the characteristic of a fighting man that his spirits are not difficult to revive. Give him time and a few kind words, and, above all, show him that the enemy are in a worse plight than himself, and he will probably come out of his tent before long and lay about him as lustily as ever. His dudgeon and depression are in their nature temporary; while, on the other hand, the disheartenment of the Three Parties whose union maintains the present Government in office appears to be more dangerous for the reason that it springs from more permanent causes.

The Labour party is disheartened because it has so little to show after seven years of strenuous existence—so little, at all events, that is sensational or dramatic. The adherents of



## The Discouragement of all Parties

new ideas and ideals are an impatient race, which is peculiarly unfortunate, seeing that their high hopes are much more liable to suffer disappointment than the milder aspirations of the party politicians. A revolutionary creed requires to be supported by super-eminent abilities and to be guided by altogether exceptional leadership if it is to prevail against the innate conservatism of the House of Commons and those batteries which experience, official and otherwise, is always ready to bring to bear upon it from either side of the Speaker's chair. And as the representatives of Labour are merely good average members of Parliament with nothing super-eminent about them, and as in the matter of leadership they are peculiarly weak (owing partly to their elaborate precautions against dictatorship, and partly to the absence of the heaven-born dictator who breaks through all precautions), the party appears actually to have less power and to be less influential to-day, when the life of the Government depends upon its support, than in 1906, when Sir Henry Campbell-Bannerman had a majority which rendered him entirely independent of its friendship or hostility.

Meanwhile the Labour party is the constant target of criticism for Labour orators, and journalists, and organizers out of doors. This criticism is occasionally very bitter, suggesting not only envy on the part of the critics, but an atmosphere of suspicion and distrust on the part of the audiences to whom the critics are appealing. The proceedings at Westminster are more and more held up to ridicule and execration as "a farce." The working man is warned that he is for ever being deluded with ashes offered to him in the guise of "rare and refreshing fruit." The House of Commons is described as "the House of Pretence," controlled absolutely, if indirectly, by a gang of capitalist conspirators who, while appearing to be bitterly opposed to one another, are in reality in fundamental agreement. The Labour representatives are at one time despised as dupes, at another denounced as renegades, and it is always remembered against them that they earn £400 a year merely by sitting on



## United Kingdom

leathern divans, and making speeches now and again. This, to the orator or journalist who has not as yet been overtaken by the same catastrophe, is hard to reconcile with unblemished integrity; while to his audience, who have no personal knowledge of the parliamentary life, it appears to be a much lighter, pleasanter and more wholesome lot than manual toil.

The Irish party is also out of spirits. As the Home Rule Bill advances stage by stage, and the time draws nearer when its provisions are likely be tested in practice, doubts as to what will actually happen under the new regime have begun to occupy men's minds, perhaps even more than the victory and defeat of which it will be the symbol. To all appearance the hostility of Ulster is undiminished, while the degree of warmth which the measure will call forth throughout the rest of Ireland, when people are actually face to face with it, is a thing quite impossible to gauge. The difficulties of putting a new constitution into force are hard enough even when the principle has been generally approved, and when there is no compact and recalcitrant minority determined to wreck it. The glory of the first cabinet at College Green will be great if it succeeds in pacifying Ireland, but its shame will be overwhelming if it fails. Agitation, even in the least offensive sense of the word, is not the best school for administration; but while administration will be the first duty and perhaps the final test of these new institutions, the men who will naturally take charge are men who have spent not only their youth but their middle age mainly in criticism, and have never at any time borne the burden of executive responsibility. With these thoughts others are mingled, not perhaps so oppressive to serious and courageous minds, but disheartening in another way. There is a probability—indeed, from hints which have been dropped by cabinet ministers, there would appear to be a certainty—that after the Home Rule Bill has passed into an Act, but before it has come into practical operation, a general election will take place. Should this general election go in favour of the Government,

## The Discouragement of all Parties

their hands will undoubtedly be strengthened; but should their majority be diminished their authority will be enormously weakened; and should they be defeated Home Rule will once more become a lost cause.

Nor can it be overlooked that within the Irish party there are other causes for anxiety. The difficulty of keeping their men at Westminster when there is no Irish business on hand, the necessity for doing so if the Government (and with it the Home Rule Bill) is to escape shipwreck, are considerations which have always been present to the minds of the leaders. This trouble is increased when, as happens to be the case just now, their men are out of humour. In deference to a sentiment practically unanimous among all British parties, the Government, after prolonged delay, have at length been compelled to offer an annual grant to Sir Horace Plunkett's Irish Agricultural Organization Society. It is true that they have attached to this grant conditions of an onerous and restrictive character which were not suggested in the cases of the similar societies in England and Scotland; and on this ground the grant may possibly be rejected by the Irish society. But this will not alter the fact that despite a most strenuous and bitter opposition by Mr Dillon, backed by the whole force of the Nationalist party in Parliament, the offer of the grant has been confirmed by Mr Asquith's government with the hearty approval of their Liberal supporters. This is a personal defeat for Mr Dillon and a slap in the face to his followers.

The spirits of the Liberals themselves are no higher than those of their allies. It is not to be wondered at, for they have been nearly eight years in office. Eight years of government, eight years of law-making and attempts at law-making are enough under modern conditions to sap the vitality of the strongest party and the robustest faith. Weariness, disillusion, and the consciousness of failure oppress any party which has been in power for a lengthy term. Their victories, their successful administration, and their great legislative achievements slip out of mind, and what occupies their



## United Kingdom

thoughts instead are the difficulties which are still facing them, the possibilities of defeat, and the recollection of those things which they have attempted in vain. What they have accomplished may be of much greater moment than what has escaped them; but they ignore this consideration, and they know well that the country will ignore it also.

An example may be taken from the military policy of the Government. In one very important part it is an admitted failure. The Territorial forces have fallen considerably below their minimum establishment, and appear still to be shrinking steadily and somewhat rapidly. Lord Roberts meanwhile has been preaching national service to immense and apparently sympathetic audiences in the great towns. His constant theme has been the failure of the Government scheme—a failure due not to any wickedness on the part of the Government, or even to any ignorance of the true ends in view, but solely to their having taken the wrong road and having attempted to provide defences for the country upon an impossible theory and erroneous premisses. Against these criticisms Colonel Seely was bound to defend his department; but he has done so in such a way as to expose himself to a vigorous attack both from the Unionists and the Liberals. Even in a journal where Liberal cabinet ministers are usually as safe as a stag in a sanctuary the Secretary of State for War has been severely taken to task; while in a journal of more advanced views he has been reminded with a brutal frankness that for a man to change his party without at the same time changing his opinions is insufficient ground for admitting him to office in a Liberal cabinet. But all these various things taken together—the shrinking numbers of the Territorials, the affection and authority which Lord Roberts's name commands, the maladroitness of Colonel Seely, but perhaps most of all the raps over the knuckles which have just been administered publicly to this unfortunate member of the cabinet by his own press—have had a cumulative effect upon



## The Discouragement of all Parties

the popular mood, and have stirred people to curiosity, or anxiety, or dissatisfaction according to their natures. The security of our military position is no longer taken for granted. People's minds are disturbed, and they want to have much fuller explanations in order to be reassured. They have got it into their heads that some folk are very anxious to hush something up, and that they ought not to be allowed to do so. In this mood the trustworthiness of official statements or assurances is not taken for granted, nor is there a firm belief in the adequacy of British defences on land, or upon the waters, or in the upper air.

This is a typical, though it is not a solitary, instance of the way in which anything in the nature of a failure affects the reputation of an elderly cabinet and reacts upon the spirits of the majority in the House of Commons. Mr Lloyd George's "Land Inquiry" appears, for the present at all events, to come within the same category. It is not in the best of credit even with the Liberals. The line of policy which is supposed to have inspired it appears to be viewed with some distrust by a considerable section of the party. Nor does its composition inspire the highest confidence. But the chief thing about it which dissentient Liberals are inclined to blame is the clumsiness of its promoters, who, by the way in which they started it, have given colour to the taunt that it is merely a partisan commission in search of facts to support their preconceived ideas. Its steps, moreover, are dogged by a grotesque parody in the shape of Mr Maxse's "Radical Plutocracy Inquiry," which marches behind mimicking its procedure and its gestures very much as a street urchin may sometimes be seen following and aping a respectable citizen. The list might be extended considerably in the region of foreign as well as domestic affairs, but enough has been said to show that if the spirits of the Liberal party are suffering at least as much as those of any of the other parties from the prevailing depression there is not much cause for astonishment.

# United Kingdom

## III. THE WANT OF DRAMATIC ANTAGONISM

THE picture for the moment is somewhat depressing. The one thing which would brighten it is wanting—some strong personal antagonism. For no democracy will ever be interested in ideas alone; still less in dim ideas which have got into a great confusion. It needs men as well as policies to stir the popular interest—men even more than policies; and the men must be opposed to one another in a dramatic conflict. They must be well matched, and must put up a good fight. So it was in the struggle between Peel and Disraeli, between Disraeli and Gladstone, and in that heroic age when Gladstone, Randolph Churchill, Parnell, Lord Salisbury and Mr Chamberlain were all at one another's throats. British politics is like a pair of scissors. There must be two blades. And not only must the blades be good and finely tempered; not only must their edges be keen; but they must be closely set, and screwed firmly together so that the edges cut cleanly one against the other. At the present time this is wanting. There may be plenty of blades lying about, as good as ever came out of Sheffield or Toledo; but apparently some are blunt through laziness, while others are rusty from disuse; and certainly no two of super-excellent quality and keenness are fitted against each other so that they shear along their whole lengths with a crisp musical chirp. Finding ourselves in a political world full of half pairs of scissors, we are constantly on the look-out for some happy miracle which will bring about the much-desired mating. We speculate as to what might happen if Mr Lloyd George and Mr Churchill were to find themselves on opposite sides, or if a real antagonism were to spring up between Mr Asquith and Mr Bonar Law. Both things are conceivable, but the latter seems the better hope. Of late there have been some encouraging signs. The abilities of these two leaders are of very different sorts; their characters

## The Want of Dramatic Antagonism

are as the poles apart; and it is clear that their moods and processes of thought are unsympathetic, and in a political sense—perhaps even in a personal sense—hostile. If this be so, we may draw good hopes from it; for there never yet was a really good fight in British politics where the parties to it did not hate one another with the utmost heartiness. The friendliness of Mr Balfour and Mr Asquith was fatal, because it brought the sincerity of their combats always under suspicion.

As yet, however, the much-needed dramatic antagonism is still to seek, and popular interest in politics for the time being is limited to discontent with all the parties who are engaged in it. Colonel Weston may have won the recent election at Kendal on his personal popularity. It is quite certain that he did not win it either because he favoured some kind of national service or because he did not favour any kind of Tariff Reform. It is just possible that he won it because in the eyes of the ignorant electors he appeared as an independent and honest man fighting against the humbug of both the party caucuses.

London. May 1913.



# CANADA

## I. OBSTRUCTION IN PARLIAMENT

IT is not easy to explain the desperate controversy in the House of Commons over the naval proposals of the Government. For months it has been whispered that when the House assembled the Opposition would force a dissolution and an appeal to the country. Ever since the general election of 1911 the Liberal press has been aggressive and violent. The defeat of the Laurier Administration was not expected. There is a deep-rooted conviction among Liberals that the country was stampeded by emotional appeals to national feeling and British sentiment and that the constituencies are eager to reverse the judgment. It is questionable if this is a true reading of popular feeling, but that such an impression prevails widely among Liberals cannot be doubted.

It was also believed that through the inclusion of three Conservatives from Quebec, associated with the Nationalist movement, the cabinet would be destroyed from within. It was found, however, that the bulk of the Conservative representation from Quebec stoutly adhered to Mr Borden, that even the withdrawal of Mr Monk hardly affected the solidity of the Ministerial structure, and that the naval proposals would command a decisive support in the Commons. There was, therefore, no prospect of dissolution through dissension in the cabinet or withdrawal of parliamentary support. Unquestionably the adhesion of Quebec Conservatives to Mr Borden greatly exasperated feeling among Liberals, and doubtless the anger of the leaders and mana-

## Obstruction in Parliament

gers of the party was sharpened by memories of the extreme attacks of the Nationalists upon the naval programme of the Laurier Government.

It is also necessary to consider the character, or at least the geographical distribution, of the Opposition in the House of Commons. The bulk of the Liberal members belong to Quebec, to Saskatchewan and to Alberta. If the Government could be forced to dissolve Parliament most of these would secure re-election. Possibly losses would be sustained by the Opposition in the two Western Provinces, but these in all likelihood would be balanced by gains in Quebec. There would be the hope also of gains in Ontario, where in the last general election only thirteen out of eighty-six constituencies were carried by Liberal candidates.

It is necessary to raise these considerations because the naval proposals of the Government do not seem to supply any adequate justification of the course which the Opposition has pursued. All that the Government proposes is to have three super-Dreadnoughts constructed in British shipyards at the cost of Canada, and to place these under control of the Admiralty, but subject to recall as the nucleus of Canadian fleet units, if we should finally resolve to organize a Canadian navy. Moreover, as Mr Borden himself has shown over and over again, before the vessels can be completed we must have a general election in the regular order, and if the Liberal party succeeds the vessels can be recalled before they pass under control of the Admiralty. This programme, however, is denounced by the Liberal press and by the official spokesmen of the party as "tribute," as a mortal blow at the autonomy of the Dominion, and as the product of an evil conspiracy between Canadian Tories and Imperial Jingoës to re-establish "Downing Street," and destroy the sovereignty of the Canadian Parliament. Sir Wilfrid Laurier himself declares that the proposals of the Government

open the way to a new departure altogether in our national life. This present hour and this present day are not without solemnity. If we

## Canada

pass this bill, we are turning our backs on what has been the traditional history of this country since Confederation. If we pass this bill we will certainly interrupt and perhaps put an end to the spirit of self-confidence and self-reliance which has made Canada what it is to-day. If we pass this bill we open a new page in the long and fateful struggle which has characterized colonial government from its inception to this date—the struggle between concentration on the one side and expansion on the other, a struggle which we thought had been for ever settled in favour of colonial expansion.

It is as difficult to understand the reasoning as to understand the passion behind these sentences. In this passage, however, the whole temper and attitude of the Liberal party is revealed. This in substance is what is said by Liberal newspapers, by Liberal speakers from many platforms and by Liberal members in the interminable debates of the Commons. It is impossible to think that there is any serious response in the country to these passionate utterances. Extreme partisans upon either side are excited by the party struggle. But serious-minded people are distressed over the madness of Parliament and the spectacle which Canada presents before Great Britain and the other portions of the Empire. The desire of the country unquestionably was that the parties should unite in voting the appropriation for three Dreadnoughts and probably, though not necessarily, proceed thereafter with the organization of a Canadian navy.

It is easy to understand why the Opposition should endeavour to force the Government to disclose the character of its permanent programme, and, it may be, certain statements by the Prime Minister suggest that his mind is turning from separate navies for the Dominions to a great central naval organization. For example, he said in his speech on the second reading of the Naval Bill, "If we are to remain an Empire we cannot have five foreign policies and five separate navies." And again: "A just voice of all the Dominions in foreign policy and in the concerns of the Empire and a united Empire to face every peril." So he has denounced with unsparing vigour the suggestion that, with



## Obstruction in Parliament

Great Britain at war, the fleet or the ports of Canada could be neutral. So he has laid emphasis upon the time which must elapse before Canada could build Dreadnoughts, secure trained crews and officers, and create an effective national navy. It will be remembered that in introducing the Naval Bill the Prime Minister said:

There have been proposals, to which I shall no more than allude, that we should build up a great naval organization in Canada. In my humble opinion nothing of an effective character could be built up in this country within a quarter, or perhaps half, a century. Even then it would be but a poor and weak substitute for that splendid organization which the Empire already possesses, and which has been evolved and built up by centuries of the most searching experience and the highest endeavour. Is there really any need that we should undertake the hazardous and costly experiment of building up a naval organization especially restricted to Canada when upon just and self-respecting terms we can take such part as we desire in naval defence through the existing naval organization of the Empire, and in that way can fully and effectively avail ourselves of the men and the resources at the command of Canada?

These sentences are quoted by the Opposition to prove that Mr Borden actually favours continuous contributions. They do show that he has an open mind as to what will be the sounder permanent policy for Canada. There is reason to believe, however, that he has no thought of recurring contributions, although possibly he would favour direct Canadian partnership in an Imperial navy if by some constitutional readjustment the Dominion should receive a direct voice in Imperial policy. Rejecting altogether the notion of "Colonial Neutrality" he believes that even a Canadian navy must be organized in intimate co-operation with the Admiralty and controlled in time of war by a common authority. But even with such a reorganization of the Empire as he foresees and desires he probably recognizes that coast defences must be strengthened and fast cruisers and torpedo vessels maintained in Canadian waters. It is also certain that he is favourable to adequate provision for training Canadian seamen and greatly concerned to

## Canada

increase the white fishing population on the Pacific coast from which alone naval recruits can be secured. These, however, he regards as questions for the future and insists that the proposal now before Parliament is strictly emergent, in discharge of an age-long debt to the Mother Country, and warranted by the increasing burden resting upon the shoulders of British taxpayers for the common defence of the Empire.

Probably Mr Borden would argue that even if no "emergency" exists it is an obligation upon the Dominion, which increases rapidly in wealth and population, to unite with Great Britain and the other portions of the Empire in immediate and effective action to maintain British supremacy on the seas. But he denies that the Government is committed to a system of contribution or seeks to manœuvre the country into a premature judgment against the organization of a Canadian navy. In presenting the emergency proposals to Parliament he said:

It must be borne in mind that we are not undertaking or beginning a system of regular and periodical contributions. I agree with the resolution of this House in 1909 that the payment of such contributions would not be the most satisfactory solution of the question of defence. But upon the information which I have disclosed to the House the situation is, in my opinion, sufficiently grave to demand immediate action.

So he said a few days ago in reply to Sir Wilfrid Laurier:

The right honourable gentleman has reiterated over and over again in the course of his remarks that this is a policy of permanent contribution. I desire, speaking on my own responsibility as a member of this Government, to take the strongest possible exception to the statements which he has made. I say in the first place that it is not a policy of contribution at all. I say in the second place that it is not a permanent policy.

He added:

So far as a Canadian navy is concerned the proposals we have submitted to Parliament are altogether separate and apart from that inasmuch as the measure is for a temporary purpose and in response to a specified statement by the Admiralty.



## Obstruction in Parliament

In support of the position of the Prime Minister Mr White, Minister of Finance, said: "I am entirely against a policy of regular and periodical contributions and no one has ever proposed or advocated such a policy." But the Opposition ignores all such frank, unequivocal and straightforward declarations from the Ministerial benches. Indeed, the heading in Liberal newspapers over the report of Mr White's speech in which he repudiated a system of contribution reads: "The Finance Minister is for Contribution." No doubt the object is to force the Government to disclose a permanent programme or at least to extort a more definite declaration in favour of a Canadian navy; for this much could be said if by the Government's proposals the country was committed to continuous contributions or even if the three vessels to be laid down in British shipyards were a gift outright to the Admiralty. But when, as has been said, these vessels are subject to recall by Canada and a general election must occur even before they can be completed, the course of the Opposition passes understanding.

For a time there was violent abuse of Mr Churchill by certain Liberal members and the more extreme section of the Liberal press over two letters from the Admiralty which, in response to persistent and resolute demands from the Opposition, Mr Borden submitted to Parliament. Apparently they were intended to be confidential statements. Manifestly they were written with no delicate conception of the temper of the Opposition. In the letters there were a few rough places which might better have been made smooth, and in certain phrases an unconscious official finality which the more angry and uncompromising assailants of the Canadian Government resented. For example, there was the sentence, "It is clear that it would be wholly unwise for Canada to attempt to undertake the building of a battleship at the present moment," and the further statement that between 1909 and 1912 "a commencement was made with the establishment of a Canadian naval force, but in these three years only small progress was made



## Canada

with the training of recruits and cadets and it would have been impossible for the Canadian Government to man a single cruiser." It is easy to establish the simple accuracy of either suggestion, but the Liberal politicians insisted that such sentences, and the habit of mind which they expressed, constituted a grave reflection upon the capacity of Canadians who had built the Canadian Pacific Railway and organized the scattered provinces of British North America into a powerful commonwealth. Over the letters we had much anger and much eloquence but no very successful attack upon the outstanding statements of the Admiralty that shipyards in which to construct Dreadnoughts would cost \$75,000,000, and that "such an outlay could only be justified on the assumption that Canada is to keep up a continuous naval building programme to turn out a succession of ships after the fashion of the largest shipyards in Great Britain and Europe." The fury of the attack upon Mr Churchill soon spent itself, although unquestionably the letters from the Admiralty materially weakened the argument for the immediate construction of Dreadnoughts in Canada.

There was, however, no abatement of the obstruction nor any less determination to prevent adoption of the naval proposals in the Commons. For two whole weeks the House sat continuously. While Liberal members spoke at interminable length there was no answer from the Ministerialists. There was much of taunt and gibe and denunciation and at one memorable sitting a close approach to physical violence. The Bill made no progress, the Government was helpless, the country was distressed. Negotiations between the leaders come to nothing, Sir Wilfrid Laurier resolutely refusing to fix a day for closing the debate. The Government, therefore, had either to withdraw the measure, to dissolve Parliament or so to change the rules that the will of the majority would prevail. Hence the closure and the sensational incidents surrounding its introduction.

# The Closure and the Senate

## II. THE CLOSURE AND THE SENATE

IT will be understood that it was in Committee of the whole House that the Liberals practised obstruction so successfully. Under the old rules a member might speak at any length and as often as he might choose upon any clause of a measure under consideration. It was in Committee that the Conservative Opposition obstructed the Trade Agreement with Washington and no doubt there is an element of retaliation in the Liberal resistance to the naval programme. It is doubtful if the Conservatives could have prevented the final adoption of the Trade Agreement. Although exasperated by the action of his opponents, Sir Wilfrid Laurier was not unwilling to appeal to the country on the issue on which he sustained defeat. During the contest five or six Liberal Ministers declared that if they won the election closure would be established when Parliament reassembled. Mr Borden and his colleagues were also able to quote many similar utterances from the chief Liberal newspapers. But nothing in favour of closure was said by Sir Wilfrid Laurier himself, and the fact strengthens his protest against the action of the Government.

It is known that Mr Borden was reluctant to establish closure. He was particularly unwilling to apply closure to a question affecting Imperial relations, or to change the rules during a bitter parliamentary struggle. From the outset, however, he held closure in reserve, and was resolutely determined to go any length necessary to establish the reasonable authority of the Government and to ensure effective conduct of the public business. The Opposition believed that closure could be obstructed as the naval Bill was obstructed, and was clearly contemptuous of any relief the Government could obtain by this method. But Mr Borden had gone into the question with the thoroughness for which he is distinguished, and early in the session had



## Canada

settled the exact procedure to be taken if such action became inevitable. Finally and reluctantly convinced that any accommodation with the Opposition was impossible, he introduced the resolution under terms and conditions for which the Opposition was wholly unprepared.

When he had stated his reasons for presenting the resolution Sir Wilfrid Laurier rose to offer an amendment. Mr Hazen, Minister of Marine, rose simultaneously with the Liberal leader, but the Speaker gave the floor to Laurier. Before, however, a word could be said by the Leader of the Opposition a motion came from the Conservative benches that Mr Hazen be heard, and it was found that under Rule 17, amended by Sir Wilfrid Laurier himself in 1906, this proposal was orderly and regular. A division followed in the midst of much disorder and confusion, the motion to give the floor to Mr Hazen was carried, and the Minister promptly moved "the previous question," thus shutting out all amendments and limiting members to a single speech on the subject. Naturally this manœuvre was angrily resented by the Liberals and by no one more angrily than by Sir Wilfrid Laurier. The answer of Conservatives is that they acted strictly within the rules, that they intended no discourtesy towards the Liberal leader, that they regret no alternative course was open, but that the action taken was absolutely necessary in order to end a long course of defiance and obstruction, reassert their control over Parliament, and prevent government by the minority.

The new rules will be effective to prevent obstruction, but it is impossible to think, as some Liberal speakers and writers contend, that they are more drastic than those which prevail in the British Parliament. It is recommended that, when full time has been given for discussing the principle and details of any measure, a Minister, acting for the Government, on giving twenty-four hours' notice, may move that the debate shall not be further adjourned or that the consideration of certain clauses shall be the first business of the Committee of the whole House and shall not be further post-



## The Closure and the Senate

poned. If the motion is adopted members may speak only once and for only twenty minutes on the subject, and if at two o'clock in the morning succeeding the debate is not concluded the question shall be put forthwith. The closure can apply only to an adjourned debate and become operative only at the direct instance of the Government. The only other amendment of importance provides that on Thursday and Friday no amendment to a motion to go into supply may be entertained.

It is true that closure expands by use. Once started upon that road there is no return. But, apart altogether from this distressing partisan quarrel, the time had come for a revision of the rules in Canada, if the House of Commons was not to prove wholly unequal to the effective performance of its functions or the sessions to be prolonged beyond practical endurance. It is perhaps unfortunate that closure should appear under such sensational circumstances, but Conservatives at least are convinced that by no other method could Mr Borden and his colleagues avert complete humiliation and discredit. The naval debate in the Commons is not ended, nor the spirit of the Opposition broken, but that the Bill will go to the Senate at length is inevitable. Upon what will happen there public attention is beginning to centre itself.

In the Upper Chamber, when a few existing vacancies are filled, there will be only thirty Conservatives as against fifty-seven Liberals. Apparently many of the Liberal Senators are in active sympathy with the Opposition in the Commons and, therefore, the chances are that the Bill will be rejected. If so, it is believed that the Commons will meet in extra session, pass legislation for a radical reorganization of the Upper Chamber, and ask the Imperial Parliament for such amendments to the British North America Act as may be necessary to give effect to the legislation. Wisely or unwisely, the Administration holds that with a clear majority of forty or fifty in the representative chamber it has a mandate to govern, and it will not hesitate at any practicable measure to assert and exercise its authority. Hence,

## Canada

if the Senate should prove contumacious, we face a long period of unrest and turmoil throughout which, in the intensity of the domestic struggle, Imperial considerations will be set aside, and from which probably will emerge a reformed Senate and, in the judgment of Liberals, a deformed House of Commons.\*

### III. CANADIAN BANKING LEGISLATION

IT is the law in Canada that there shall be a decennial renewal of the bank charters and a decennial revision of the Act under which they operate. There should have been a revision in 1910, but, owing to the congestion of business, the dissolution over the trade agreement with Washington and the subsequent change of Government, it was not until this session that Parliament was able to undertake the necessary revision. The Bill, introduced by Mr White, Minister of Finance, provides for more stringent regulations against malpractices, for additional safeguards against fraudulent organization, for more detailed returns, and for a compulsory annual shareholders' audit. It extends the power of the banks to grant credit by authorizing loans upon farm stock and grain in storage as legal security. It also enlarges the power of note issue by the authorization of additional notes, based dollar for dollar upon the deposit of gold or Dominion notes in a Central Gold Reserve to be administered by a Board of Trustees.

During the last few years there has been free criticism of the Canadian banking system, chiefly arising from the failure of the Ontario Bank and the Sovereign Bank and the wreckage of the Farmers' Bank by grossly incompetent management and fraudulent organization. In organizing this bank farmers' notes, subsequently returned to the

\*The Naval Bill was read a third time in the House of Commons on May 15.—[Ed.]



## Canadian Banking Legislation

makers, were imposed upon the Department of Finance as part of the \$500,000 of capital necessary to enable the institution to do business, and later \$600,000 of its resources were sunk in a silver mine at Cobalt in which its officers were interested. Following upon the inevitable collapse the general manager was sent to the penitentiary and hundreds of farmers sustained ruinous losses. Naturally it was contended that with due vigilance in the Department of Finance the Bank would not have been chartered. It was further contended that with adequate inspection the failure of the Ontario Bank and the Sovereign Bank could have been averted. It is the fact, however, that all three banks were distrusted by responsible bankers. There is evidence that the Bankers' Association advised against issuing a charter to the Farmers' Bank. But it is certain that if the charter had been refused there would have been an outcry that "the money-trust" had assassinated an institution designed chiefly to extend necessary credit to the farming communities, and probably both the Government and the Bankers' Association hesitated to expose themselves to such an attack.

Notwithstanding these failures, and the demand of a group in Parliament, the Government is unwilling to establish any general system of inspection by public officers. Mr White does not believe that such inspection of a multitude of branch banks could be effective. He holds that to establish such a system would diminish the vigilance of depositors and impose upon the Government an undesirable responsibility for the solvency and security of banking institutions. He holds further that as malpractices occur chiefly in the head offices these can best be guarded against by independent auditors appointed and controlled by the shareholders as distinct from the officers and boards of directors. He has not hesitated, however, to impose additional responsibilities upon directors and to increase the penalties for negligence. The proposal to guarantee deposits the Government rejects as directly encouraging reckless banking, depriving able and prudent bankers of the advan-



## Canada

tages which accrue to ability and efficiency in other pursuits, and imposing upon the stronger banks a common responsibility for feeble and ill-managed institutions. By legalizing advances upon stock and grain he does something to meet the demands of farmers, and particularly those of the Western Provinces, for cheaper and easier banking accommodation. What measure of relief this will afford has still to be determined. It will hardly prove to be a complete solution of the problem of rural credit, and Mr White himself has intimated that more radical treatment may be necessary. But the evidence adduced before the Banking Committee suggests that the Western communities of Canada have had cheaper credit than prevails in the Western States and that the banks have shown exceptional energy in establishing branches throughout the Western Provinces.

At the moment it has been necessary, owing chiefly to the state of the London money market and the exhaustion arising from a long period of speculative activity, to restrict credits both east and west, and the natural disposition is to hold the banks responsible for conditions which they only seek to remedy with the minimum of inconvenience and disturbance. Altogether, however, the investigation before the Banking Committee has disproved most of the charges levelled against Canadian bankers, emphasized the national character of the banking system, and established the fact that instead of a combination to bleed the public there is intense competition between the rival institutions. The chances are, therefore, that Mr White's Bill may be adopted without radical or material amendments, and a system which has justified itself will maintain its divorce from the Government and its freedom to conserve the national credit and assist the national development.

# The American Tariff

## IV. THE AMERICAN TARIFF

THERE is a curious indifference, at least in older Canada, towards the details of the American tariff. Those who remember the eager interest that was taken in the Wilson tariff of twenty years ago, less radical however than that now under consideration at Washington, will best estimate the changes that have been wrought in Canadian conditions and in Canadian feeling. For half a century it was a tradition and a conviction that access to the American market was the supreme economic advantage that could accrue to Canada. Now a revolutionary fiscal policy is submitted to Congress and a multitude of Canadians have only an academic interest in the incident. The explanation is in the growth of national self-reliance, in the expansion of home markets, in the rise of industrial communities which absorb the farmers' products, in the greater commercial intercourse between the Provinces, and in the adaptation of products to the British market. It would be folly, however, to contend that no interests in Canada will be benefited by lower American duties. The reductions in the duties on horses, cattle, sheep, poultry, grain, butter, cheese, eggs, vegetables and apples will divert a volume of Canadian products to adjacent American markets. So the free admission of meats, salt, fish, milk, cream, potatoes, and swine will turn trade southward. Free lumber will stimulate export; free iron ore may attract capital to the mineral areas of Canada. The reduction of the duty on wheat from twenty-five cents to ten cents a bushel will be thoroughly acceptable to Western farmers, who unquestionably set a high value upon the American market, and free flour, if we can so adjust the Canadian duties as to avail ourselves of the concession on the terms on which it is offered, would materially strengthen the milling industry in the Western Provinces.

What is recognized, however, is that, even if the new

## Canada

tariff schedules are adopted at Washington, a lower comparative scale of duties will still prevail in Canada. For this reason it is doubtful if the action of the Democrats will greatly strengthen the agitation for lower tariff in the Dominion, while undoubtedly the advocates of Reciprocity are greatly weakened by the extension of the free list and the general reduction of American duties. It is just as certain that the conditions are unfavourable to any general increase in the Canadian tariff. This was recognized by the Canadian Government even before the policy of the Administration at Washington was disclosed. It is too soon, however, to speak with confidence concerning the effects of the new American tariff on Canada. Many Liberal journals are contending for the elimination of all food-taxes, and it may be that eventually there will be a response from the industrial communities. As yet these communities are strongly protectionist, but any continuous increase in the cost of living may strengthen the movement for lower duties on foodstuffs. This is not the less likely because any considerable drain of food products to the United States can hardly fail to make living dearer in Canada. It may be, therefore, that in the older Provinces we shall have a decline of protectionist sentiment in the towns and an increase of protectionist sentiment in the country. It is a curious situation altogether, and confident speculation would be premature and hazardous. The vital fact is that we retain control of our own tariff and that continental Reciprocity can hardly continue to be a chief issue between the political parties.

Canada. April 1913.



## AUSTRALIA

THE retirement of Mr Deakin from active politics is an event of more than local importance. He was the one statesman remaining in the political life of the Commonwealth whose name and personality are familiar throughout the Empire; and we may believe that when the sifting process of time has done its work, he will be one of the few for whom a permanent place will be found in Australian history. Parliamentary life will be the poorer for want of his civilizing presence, and from this point of view all sections of the community join in regret at his withdrawal. Mr Joseph Cook, his successor, is a strenuous parliamentary battler, who has yet to become known outside political circles. He is a debater, a man of courage, and he has given himself unsparingly to the work of joint leader of the Opposition during the present Parliament in very discouraging circumstances.

### I. IMPERIAL MATTERS

PUBLIC opinion on Imperial questions in Australia has been stimulated by the Canadian naval proposals. The memorandum prepared by the British Admiralty for the Canadian Prime Minister, which was laid before the Commonwealth Parliament shortly before the prorogation, gave Australians a vivid and authoritative account of the

## Australia

position of the Empire, and Mr Borden's speech in introducing his bill acted somewhat as a challenge to Australian ministers. Mr Fisher, without giving any very definite reasons, has always been against the idea of permanent representation on the Imperial Defence Committee. On the other hand, he has always favoured the holding of conferences. His last act prior to the rising of Parliament was to express the desire that frequent conferences should be held between Imperial ministers and delegates from the Dominions, and that such conferences should be held somewhere in the outer Empire. The same line was taken in a memorandum issued by Mr Pearce, the Minister of Defence, in which he laid great stress on the fact that the Imperial Defence Committee had only advisory functions, and had no control over policy. After pointing out that Australia was the only member of the Conference of 1909 which had carried out its share of the programme then laid down, Mr Pearce suggested that Canada, New Zealand, and Australia should come to an arrangement for the defence of British interests in the Pacific, and stated that with this in view the Australian Government had already proposed that a conference should be held in New Zealand, South Africa, or Vancouver; the time specified had not been convenient, but the project would be revived later in the year.

This strikes the new note in Imperial policy—the problem of the Pacific. To some extent it arises out of Mr Churchill's suggestion that Britain should maintain sea supremacy against all comers at the decisive points, and that the Dominions should guard and patrol the rest of the Empire. No more fruitful idea of Imperial relations has ever been suggested. The existence of two schools of thought on Imperial subjects, one for a conference and the other for immediate representation on the Imperial Defence Committee, will help rather than hinder evolution. Each is founded on an idea of great value, and a reconciliation which will carry us a long way on our road is likely. The view which animates the Australian cabinet is that the main

## Imperial Matters

lines of policy need definition. Australia is pursuing one policy, Canada is proposing another, which seems inconsistent. Australia is naturally specially interested in Pacific problems, while the British fleet is concentrated in the North Sea. The first duty of Australian statesmen is to see that their country is secure against external dangers, and to do this our ministers want to understand the main lines of British policy, and to ensure that Australian interests are not neglected. They believe that a conference, where the delegates would be in direct touch with public opinion, and would come with special instructions drawn up after full consideration, is the best means for arriving at an understanding on these great problems. If such an understanding is reached, questions of organization will become very much more simple. When the method in which each Dominion shall participate is settled, then it will be easier to arrange for continuous consultation, whether by representation on the Imperial Defence Committee or otherwise. The Canadian proposal for representation on the Committee might then be adopted *in toto*, or possibly the Committee might be reorganized. Without impairing its unity a special section might be told off to consider problems of the defence of the Pacific, with an expert staff at work in that ocean, and in direct touch with Dominion Governments.

Meanwhile public opinion cannot develop intelligently. It is not available to support a right policy or correct a wrong one. With two Dominions pursuing apparently divergent policies, it is not a little mystified. Many Imperialists in Australia have never accepted the principle of an Australian navy, and they are encouraged by the present atmosphere of uncertainty to believe that the Admiralty gave its support to Australian policy in 1909 against its better judgment. This feeling is also powerful in New Zealand,\* and is one thing that prevents an agreement for co-operation between Australia and New Zealand,

\* It finds expression in the New Zealand section of this number. See pp. 579-580.



## Australia

though the influence of the New Zealand Minister of Defence, Mr J. Allen, may succeed in breaking it down. At a great defence conference, such as has been proposed, these doubts would all be set at rest. It is a pity that owing to various misunderstandings and mishaps it will not be possible to hold the conference for some months yet, and no doubt these delays indicate the radical inefficiency of the conference method for the *ordinary* work of co-operation.

Australian opinion on matters of defence is quiet, but the sacrifices the nation is making indicate its true temper. This is also shown by the success of the universal service scheme, with its compulsory camps and all-day drills. There is no political party, no member of Parliament, no candidate even for parliamentary honours who suggests that the present defence policy should be reversed. Contrary to expectations, no difficulty has been found in securing recruits for the navy, while a naval college for the training of officers has just been opened at Geelong.

The only other matter on which comment is necessary is the question of Imperial preference. The suggestion by Mr Bonar Law that a conference should be called to arrange the lines of mutual preferences between the Mother Country and the Dominions obtained little response in Australia. Even organs which regard the preference agitation with favour as a step in the direction of further protection see no advantage in a conference for such a purpose. The belief of many Imperialists that Imperial preference is the sole road to Imperial organization is held to be based on an unfortunate fallacy. The truth is that fiscal policy is a matter on which the Dominions will never surrender their autonomy. Preferences must be purely voluntary. The Dominions may surrender some of their autonomy to a higher body representing the Empire as a whole for purposes of defence and foreign policy, for the question of Imperial defence, however complex, is really one question, and by sharing in the direction of policy the

## Federal Affairs

Dominions really extend their sphere of self-government. But in the multifarious economic conditions of the various Dominions the fiscal question can never be one question and can never be committed to any one body. Preferences may perform certain important indirect services; they may prevent the growth of hostile interests; but they cannot lead to the development of organs to promote the common purposes of the Empire, and these seem to be the need of the future.

### II. FEDERAL AFFAIRS

THE fourth Parliament of the Commonwealth has, with the close of last session, run its course. The legislative output of the year 1912 consists of forty acts—which, as regards number, is a record. Half of these are amending acts of no striking interest; the other half comprises several important measures. Perhaps the most noteworthy is the act which constitutes an inter-state Commission—a body the idea of which is derived from the American Inter-state Commerce Commission, which in turn was suggested by the English Railway and Canal Commission. The Australian Commission, however, has a much wider scope than either the American or English, which are wholly concerned with the control of carriers, and chiefly of railway companies. Railways in Australia are owned by the State, and the establishment of the Commission was directed by the Commonwealth constitution, partly as a means of protecting the States against the action of the Federal Parliament. Though bills were introduced in 1901 and 1906, the constitutional mandate for the establishment of the Commission has only now been fulfilled. It is to consist of three members, one of whom is to be of experience in the law. It is partly administrative, partly judicial, and partly inquisitorial. It has powers with regard to inter-state traffic similar to those of its American



## Australia

analogue; but it does not stop there. It is, in the first place, a standing commission of inquiry, with power to investigate, of its own motion, practically all matters of a commercial, industrial or social nature, to take evidence on oath, to enforce the attendance of witnesses and the disclosure of information, and to report to Parliament. In this capacity it is to be, as Mr Deakin happily put it, "the eye and ear of Parliament." It is also to be a kind of commercial court, having jurisdiction to determine on reference by the parties (subject to appeal to the High Court on questions of law only) any complaint, dispute, question, or difference relating to inter-state or external commerce.

Another interesting measure makes provision for informing the electors of the arguments for or against proposed constitutional amendments which, having passed both Houses of Parliament, are submitted to a referendum. This act, which was suggested by, though it differs widely from, legislation in Oregon and other American states, provides for the issue to the electors of a pamphlet containing an exact statement of the alterations proposed to be made, and arguments for and against the alterations, authorized respectively by a majority of those members of both houses who voted for them, and of those who voted against them.

In the industrial sphere the most important event has been the Sydney gas-workers' strike. These men had an industrial agreement with their employers under which the minimum rate of pay to any class of workers was 8s. a day. They desired an advance to a minimum of 9s., and applied to the New South Wales Industrial Court to hear their plaint. Judge Heydon held that during the currency of an industrial agreement the court had no jurisdiction to entertain a cause. The question was not a new one, for some months earlier the declared intention of the men to take a strike ballot was frustrated by an injunction obtained by the Minister of Labour. This time the men determined on sudden action, and the strike was an accomplished fact on February 28



## Federal Affairs

before anyone realized that anything very serious was the matter. The ministry made vigorous efforts to persuade the men to return to work, promising them, with the assent of the employers, an Act of Parliament to establish a wage board with power to consider their case, and assuring them that, if the decision was in their favour, the award should date back to the time at which they resumed work. This offer the men refused, insisting upon an immediate grant of the whole advance. The ministry then on March 3 issued a proclamation calling upon the citizens of Sydney to aid the Government in keeping order and in securing a gas supply for the city. Adequate protection against molestation by the strikers was promised, and the action of the Government was supplemented by an appeal from the Lord Mayor, who set an example by personally taking his place amongst the volunteer workers. A satisfactory response was made to these appeals, and the gas company was able at once to provide a limited but improving supply. Negotiations between the men, the company and the Government were resumed, and a settlement was announced on March 8. The men were to return to work, and Parliament was to be specially summoned to pass legislation for establishing a wages board with power to fix a wage as from the resumption of work, the company—recently brought under severe restrictions as to the price of gas—being allowed to raise its rates to consumers so as to meet the additional burden thrown upon it by any increase in wages determined on by the wages board. The Government on the whole acquitted itself with credit in a very difficult situation. The strikers complained of a want of “neutrality” peculiarly unworthy of a Labour Government, their view being that the Government should have confined itself to the guarantee of public order and should have withheld active assistance in the maintenance of a gas supply. The Government vindicated its action by taking a stand upon the principle of arbitration, and demanding that lawful means of settling disputes should be recognized

## Australia

as a substitute for, and not a mere auxiliary to, strikes. There was little disorder throughout the dispute, and each side is pledged that there shall be no victimization. The strike was, of course, an offence against New South Wales law, but equally, of course, no serious steps were taken to enforce the law against the strikers—all parties are aware that in such a case to resort to the penal provisions of the law is in general to protract the dispute and probably to extend the area of disturbance. The settlement was described by the Premier as a “triumph of conciliation” and of “sweet reasonableness.” The public may perhaps see in it a confirmation of Judge Heydon’s observation at the commencement of the matter that employers and employed alike are satisfied to settle their differences by passing on the increased cost to the community.

As soon as the gas-workers’ dispute was settled, and while a coal strike was assuming more serious proportions, the people of Sydney had to suffer the suspension of another public service. For some time a wages board had been sitting to consider the claims of the men employed in the several ferry services, which ply between the city and its principal suburbs, for higher wages and for a forty-eight-hour week. On Good Friday morning, the firemen and deck hands on these steamers struck without warning, and Sydney’s communications were thrown into confusion. The Government asked the company to concede the forty-eight-hour week, but the company declined on the ground that the whole matter was under the consideration of the wages board, by whose determination they were willing to abide. After lasting six days the strike was ended by the concession of a ninety-six hours fortnight. The ferry companies have begun to recoup themselves by raising fares.

In Victoria an important question arose in connexion with the determination of the clerks’ wages board as to whether there should be a uniform wage for men and women doing the same class of work. The board had fixed a wage



## The General Election and the Referenda

of 48s. for a week of forty-eight hours, taking the basis of "frugal comfort" for a married man with an average of three children; and applied it indifferently to men and women. The nominal effect was to raise the wages of large numbers of women clerks from 75 to 100 per cent; its actual effect was to deprive many of them of their employment. No doubt that was partly due to the fact that many employers took this opportunity of reorganizing their offices in order to meet increased expenditure arising from various causes; but it was also clear that large numbers of employers were convinced that uniform rates to men and women were not "equal pay for equal work," but a substantially higher rate for woman's work, and they therefore employed men in preference to women. An appeal was taken by employers and by a number of the women affected to the Industrial Court of Appeal. It was urged by the Clerks' Union in support of the award that, assuming that the award would lead to loss of employment by the women, it was a sacrifice they must make for the general good. The learned judge, impressed by the large number of women affected, thought the law (which permits discrimination by sexes) did not justify so wholesale a slaughter of the innocents, and, distinguishing the basis of the women's wage, which generally supports only a single person, from the man's, which has relation to his family responsibilities, he fixed the women's wage at 32s. a week, in itself a substantial advance on the minimum proved to be paid in some cases.

### III. THE GENERAL ELECTION AND THE REFERENDA

**P**OLITICAL interest is beginning to concentrate itself upon the coming general election and the Referenda. Neither Mr Fisher nor Mr Joseph Cook has yet made his policy speech, but the general lines upon which the election will be fought are already fairly clear. Since the



## Australia

last election Labour has lost ground seriously in Queensland and South Australia, and slightly in Victoria and Tasmania, while the party in New South Wales is torn by internal dissension. But State politics are not a safe guide to the attitude of the people on Federal questions when the issues are very different.

The Government will appeal to a record of things done instead of merely talked about. It will point with pride to the extensive scheme of naval and military defence which, as administered by Senator Pearce, has won general approbation. It has worked hard at three new enterprises—the trans-continental railway, the development of the Northern Territory, and the laying out of the Federal capital (now finally named Canberra).<sup>\*</sup> Its legislation includes the maternity bonus, which has absorbed more than £200,000 since October last, the land tax, the Commonwealth Bank, and the Commonwealth note issue. It has made effective in Government works the principle of preference to unionists. It has not been able to adhere entirely to its professed intention to avoid borrowing, and further loans will probably be required for its naval and military undertakings, the Northern Territory, and the trans-continental railway.

The Labour party and their opponents alike will be embarrassed by the fiscal question. For the Government it is complicated by the constitutional difficulties of the new protection; while on the other side the strenuous attempts of the protectionists in Victoria to make increased protection the touchstone of Liberalism meet with no hearty response even in Melbourne, and it seems clear that protection has, in an era of high prices and in the face of more fundamental questions, lost much of its old appeal. The election is to be fought on party lines, and the fiscal question at present does not furnish a party issue. The issue at the election will in substance be the same as in the Referenda on the constitutional amendments. At the last general election in 1910 Labour achieved a great victory, sweeping

<sup>\*</sup> The accent is placed on the first syllable.

## The General Election and the Referenda

the polls for the Senate in all the States, and gaining many seats in the House of Representatives. But in April, 1911, when, flushed with triumph, the same party appealed to the people for an increase of Federal powers, a hostile majority of 250,000 showed that the previous election was no guide to opinion on constitutional questions. On the present occasion the submission at a general election of amendments proposed by the Labour party, and opposed by the Liberals, will practically make the issues inseparable. Every candidate standing with the approval of the party organizations will, so far as is known, follow the party lead on the amendments. Some electors will no doubt distinguish the Referenda issues from the election; and some will distinguish between the matters submitted in the several Referenda. But generally the indications are that people who are against the Government will also be against the constitutional amendments.

The Referenda ask for increased Federal powers with respect to trade and commerce, corporations, industrial disputes, disputes on State railways, trusts and combines and nationalization of monopolies. They are substantially identical with the matters submitted in 1911, which were explained in *THE ROUND TABLE*, Nos. 3, 4 and 5, but limitations have been placed upon the previous demands in order to meet certain criticisms which proved particularly effective upon the last occasion. Official arguments for and against the amendments have been prepared by the party leaders. These have been printed in pamphlet form at the public expense, and a copy will be furnished to every elector. Thus every effort is being made to secure a well-informed vote.

The power of the Commonwealth with regard to trade and commerce is now confined to that "with other countries and among the States." The first amendment is to omit these words, but, in deference to past criticism, still to exclude trade and commerce within any single State so far as it is carried on upon State railways. The Labour



## Australia

party contends that trade and commerce are a single organic whole, and that an authority divided between Commonwealth and States is unable to cope with "the manifold ingenuity of the great trusts." The Liberals reply that this amendment would enable the Commonwealth to control all business in Australia, and that it would involve a double jurisdiction in commercial matters, which would give rise to great uncertainty and continuous confusion. This amendment is also condemned on the ground that, if carried, it would empower the Commonwealth to introduce a dangerous socialistic scheme for regulating profits and prices.

The second amendment proposes to give to the Commonwealth Parliament complete control of all corporations, except municipal and governmental corporations and certain others. This is advocated on the grounds of the desirability of a uniform company law throughout Australia and the impossibility of controlling trusts unless the power be granted. The opponents of this proposal are willing to accept an amendment that would provide for a uniform company law, but they urge that the amendment submitted would entitle the Commonwealth to make laws regulating every detail of the business transacted by companies, while competing partnerships and individuals carrying on exactly similar businesses would be under the sole jurisdiction of the States. This amendment is therefore condemned as both "ruthless and reckless."

The third amendment seeks to give the Commonwealth power to legislate upon the terms and conditions of labour and employment in any trade, industry, occupation or calling, the rights and obligations of employers and employees, and all matters connected with industrial disputes. The Labour party contends that the existing Commonwealth Arbitration Court is unduly fettered, inasmuch as it can deal only with disputes extending beyond the limits of one State. Further, it can bind only parties actually summoned before it, and cannot lay down a common rule



## The General Election and the Referenda

applying to all persons engaged in an industry. It is urged that only the Commonwealth can deal effectively with industrial disputes, so as to secure industrial peace. The Liberals challenge this assertion, alleging that most industrial disputes are essentially local in their origin and effects, and claiming that, while the Commonwealth can and ought to deal with disputes extending beyond a single State, local disputes are best adjusted by agencies organized by State Parliaments with more intimate knowledge of local conditions than the Commonwealth Parliament can possibly acquire.

The fourth amendment seeks to confer upon the Commonwealth the entirely new power of making laws for industrial conciliation and arbitration in relation to the railway service of a State. This proposal is defended on the general ground that State railway employees should have the same right as other employees to appeal to a Federal court. No reason has hitherto been suggested for not including other State servants within the scope of this supposed benefit, but it cannot be forgotten that the Victorian Government crushed a very serious strike of railway servants with astonishing vigour and success. Under the new scheme a Commonwealth tribunal could fix wages, hours of labour, and all conditions of employment, while State Parliaments would be left with the responsibility of managing the railways and finding all the money.

In the fifth amendment the people are asked to give the Commonwealth power to make laws with respect to trusts, combinations and monopolies in relation to the production, manufacture or supply of goods, or the supply of services. The Labour party is satisfied that trusts are to blame for the increased cost of living, and it claims that present powers are too weak to enable Parliament to grapple effectively with these enemies of the people. The Liberals argue that (as Labour admits) some trusts benefit the people, and that the existing constitution gives the Commonwealth full power to deal with trusts operating in more

## Australia

than one State, while each State has ample authority to regulate trusts within its own boundaries. They also allege that the Government has purposely neglected to use its present powers in order to manufacture an argument for an increased power which is really intended to be used for class ends.

The sixth amendment would allow the Commonwealth Parliament to take over, on just terms, and carry on any private business whatsoever which may be declared by a resolution of both houses to be a monopoly. It will be observed that it is not necessary that the business or enterprise should really be a monopoly in the ordinary sense. It is unnecessary to attempt to recapitulate the well-known and well-worn arguments for and against nationalization.

In three respects the present submission of constitutional amendments presents differences from the case of 1911. The first of these—the coincidence of a general election—has been referred to. The second is the fact that the amendments are being severally, instead of collectively, submitted. In 1911 the fact that an elector must vote “Aye” or “No” to all the proposals, was very generally resented, and the device lost far more votes than it won. Thirdly, the amendments will now be submitted no longer on the authority of the Government and Parliament alone, but as a part of the official Labour programme, formally adopted by the Labour Conference. This fact makes at once an appeal to the “solidarity” of the Labour party which was wanting in 1911, and affects the position of those members of the party who, disapproving of the proposals, claimed, and to some extent exercised, freedom of action on the subject. This they will no longer be able to do.

An acute situation has thereby been created in New South Wales where in 1911 the members of the State Labour ministry entered the field against the Federal proposals. The first consequence of the new conditions was the resignation of Mr Beeby, one of the ablest of the Labour ministers, and the only one amongst them who had made a non-party



## The General Election and the Referenda

reputation. His resignation was welcomed by the section of the party whose views find expression in *The Worker*, and whose political creed demands first and foremost discipline in the militant ranks of the party. Mr Holman and other State ministers are also under suspicion, and there is evidently considerable turmoil in the ranks of the State Labour party. There is the moderate wing represented by the Government and a large proportion of the members of Parliament, claiming a certain freedom of individual action in politics: their sympathy with Mr Beeby and Mr Holman was one of the main reproaches against them. Then there is the section identified with the Trades Hall, and consisting of trade-union officials who are not in Parliament. This section gives whole-hearted support to the constitutional amendments, and is determined that the whole force of the party shall be used to overcome opposition within its ranks. Among these, too, there is a certain impatience with the slow processes of political action. The difference between the two sections was very clearly marked during the gas strike in Sydney. The sympathy with more "direct" methods is being sedulously fostered by the Industrial Workers of the World, an organization which repudiates political methods as a means of achieving industrial reform. The difference is one of principle, and the question is being seriously raised within the ranks of the Labour movement, whether it will be possible for such conflicts to be confined much longer to the conferences of the party. So far, the moderates, who may be identified with the parliamentary party, have maintained their control, but it has been seriously threatened within the last few weeks. The party conference at Sydney appointed a committee of inquiry before which members of the state ministry and several of their parliamentary supporters were summoned, and as a result reports in favour of the expulsion of some of the accused were submitted. Only the personal influence of Mr J. C. Watson (ex-Prime Minister of the Commonwealth) staved off a crisis for the moment.



## Australia

Mr Beeby—re-elected to Parliament for his old constituency as an independent member—is now in a position of greater freedom and less responsibility, and it is evident that the constitutional amendments will not command the support of an undivided party in New South Wales. In the other states no breach of any magnitude has disclosed itself in the Labour ranks, and solid action of the state Labour members and the party organizations may be counted on. The ultimate result, both of the election and the Referenda, appears to depend upon the power of the Government to persuade a sufficient number of the electors outside the ranks of organized labour of the reality of the danger from predatory trusts and combines, and to associate the Liberals, as the Labour newspapers call their opponents, with these anti-social forces. There is little indication that the Liberal party is likely to suggest any alternative scheme for the enlargement of Commonwealth powers, and its appeal must be mainly to the danger of entrusting these very wide powers to the Labour caucus, for it is part of the Opposition case that Labour government is the negation of parliamentary government. "State rights" will play their part in speeches, but in the main the fear of experiments in nationalization and in the regulation of prices, and of the extension of industrial regulation to rural occupations, are likely to secure more attention from the electors.

Australia. March 1913.

## SOUTH AFRICA

### I. THE CRISIS IN THE NATIONALIST PARTY

**I**N the March number of *THE ROUND TABLE* the story of the quarrel between General Botha and General Hertzog, which had led to the expulsion of the latter from the ministry, was taken down to a date just prior to the meeting of the Union Parliament.

Parliament met on January 24, and for a fortnight there was the utmost uncertainty as to the position of the new ministry. The members of the South African party held constant meetings, but no leader of the party made any move in public. The Unionists held their hand, and an attempt on the part of Mr Creswell, the leader of the small section of Labour members of Parliament, to elicit some statement from the Prime Minister met with nothing more than a chilling silence. Meanwhile rumour, always busy in the lobbies of a House of Parliament, revealed with an unusual approach to accuracy what was happening behind the scenes. It is impossible to keep secrets which are shared by half a hundred men. First came the information that the Nationalist members from each of the four provinces of the Union were holding separate meetings to discuss the crisis. Then it was revealed that the Cape, the Transvaal, and the Natal members of the party had decided with some unanimity to support General Botha. Next rumour played with a sensational betrayal of General Hertzog by the members from his own province, the Orange Free State. Early in the second week of the session the combined meeting of the whole

## South Africa

Nationalist party was held. The Prime Minister stated his case and was replied to by General Hertzog in a speech so passionate and so diffuse that the voice of ridicule began to mingle insensibly with the voice of rumour. Next it became known that the two protagonists in the struggle had appointed representatives who were meeting in an attempt to arrive at some compromise which would preserve the unity of the party. And, finally, the breakdown of all efforts towards a composition of the quarrel between the two leaders was announced to the world in a statement communicated to the press on February 5 by the Prime Minister himself.

This statement took the form of an open letter addressed to the members of the Nationalist party throughout the country. It was an amplification of the statement which the Prime Minister had already issued to the public through the medium of *De Volksstem* and which was referred to in the last number of *THE ROUND TABLE*. Emphasis was again laid on two main points. First, the fact that General Hertzog's references to Imperialism, and his declaration that he had considered himself to be a Minister of South Africa rather than of the Empire, "are entirely unnecessary, and are certainly not in the interests of our party, and especially not in the interests of the older population, as they immediately give rise to misunderstanding and suspicion of a most serious and painful nature." Second, that General Hertzog's contemptuous allusions to the policy of conciliation—a policy "which I, in accordance with our principles, had always preached"—could not be regarded as anything less than an attack deliberately made, and ridicule directed of set purpose, against that policy and its objects. The most important amplification of the earlier statement was the passage in which the Prime Minister pointed out the peculiar obligations which rested upon General Hertzog with regard to this policy of conciliation:

Unfortunately, from the beginning of our Government, a certain measure of suspicion existed against him on this point. I do not



## The Nationalist Crisis

desire to discuss the causes which led to that state of affairs; but I only want to point out that if, with a view to our policy of conciliation, it was necessary for any man to be careful in regard to his public utterances, that man in the circumstances was General Hertzog; because, whether that was his intention or not, while one section became inclined to look upon him as champion of the rights of the Dutch element, the other section of our population in a much stronger degree began to look upon him as the opponent of all that was English.

For the rest, the Prime Minister indignantly repudiated the accusations of his opponent that he had been guilty of "‘weakness,’ ‘want of principle,’ ‘sacrifice of principles,’ and so forth." He took special exception to the insinuation conveyed by General Hertzog in his speech at Smithfield when he said:

I am not going to place the children and interests of South Africa on the altar of Moloch. I also want conciliation. I bribe no one.

If this, said the Prime Minister, was General Hertzog's opinion of the policy of the ministry of which he had been a member, why had he not resigned instead of waiting to be expelled? Finally, General Botha stated his position in the following passage:

To me it was a difficult task to break with General Hertzog, in whom I always endeavoured to find a faithful friend and supporter. I also knew that my people had realized the dangers. But I only had two ways open to me: to continue to work with General Hertzog and to see the two white races of South Africa divided into two hostile camps, or to remain true to the principles of co-operation, upon which the party and Government had been formed—so long as people would support me in that direction—even at the risk of parting with General Hertzog. . . . Both General Hertzog and myself are agreed that it is not possible for him to be taken back into the present cabinet after what has happened, and that a solution on those lines is not possible. I only acted after the most careful consideration in the interests of South Africa, and especially in those of the Dutch-speaking population. It is for my people to judge whether I acted rightly or not. I shall abide by their decision.

To this statement General Hertzog in his turn issued a reply which was communicated to the press on March 7.

## South Africa

Extremely diffuse, and phrased in that tortuous language which is the natural result of a slow but passionate brain endeavouring to find a completely satisfactory form of self-expression, this manifesto contained an elaborate review of the whole relations of its author with General Botha from the time when the latter was called upon to form the first ministry under Union. After relating the negotiations which passed between himself, General Smuts and Mr Malan, at the time of the formation of that ministry, General Hertzog comes to the conclusion that "there was no mistaking the reluctance with which the Prime Minister accepted me as a colleague." This reluctance was founded on the fact that General Hertzog refused to give way an inch in respect of the education law in the Free State. He was the author of that law. In view of the agitation which the operation of the law aroused among the English-speaking population of the province, General Botha endeavoured to get him to agree to some modification of its provisions.

Efforts [says General Hertzog] were made by him (General Botha) to get the Free State law altered. As early as June 10, eleven days after Union, he began that task. I would not hear of this, and set myself emphatically against it, to the great disappointment and anger of General Botha and some of his colleagues.

The friction thus aroused became more and more acute. General Botha's defeat at Pretoria in the general election, which he attributed to General Hertzog's fanatical support of the Free State education law, did not lessen this friction. At last, after more than two years, the disagreement between these two ill-assorted colleagues came to a head as a result of the speech made by General Hertzog at De Wildt, in the Rustenburg district of the Transvaal, in December, 1912. As this speech was noticed at some length in *THE ROUND TABLE* for March, 1913, there is no need to repeat here the statement of the issues which it raised. In his manifesto General Hertzog defends this utterance at wearisome length, but he certainly does not succeed in



## The Nationalist Crisis

disposing of the reasons which led the Prime Minister to decide that a cabinet of which he was the chief could no longer contain General Hertzog as one of its members. A careful study of the manifesto can only result in the conclusion that its author is constitutionally incapable of understanding that his words could have any other interpretation than that which they bear in his own mind. And even when this conclusion is reached, there still remains serious doubt of the exact meaning which General Hertzog himself attaches to the words which he has uttered at sundry times and in sundry places. The manifesto itself is an excellent example of the ineradicable tendency of its author to confused thought. At one moment he is protesting against the misunderstanding which dogs him. At the next he is proclaiming himself the lifelong champion of the very ideas which he repudiates when they are read into his speeches. At one moment he is declaring that he has been a faithful follower of the Prime Minister. At the next he is flinging wild reproaches against him for having been utterly lacking in strength and devotion to principle ever since he took office as Premier of the Union. Perhaps the following passage summarizes as fairly as it can be summarized the case which General Hertzog has against the Prime Minister. At least it is obviously intended as a summary of the whole case; and no man can complain if his own words are taken at the valuation which he himself has clearly meant to place upon them:

For more than two years I have loyally stood by General Botha's side, trusting that he was what every well-wisher of South Africa so deeply longed that he should be, the honoured and beloved leader and man of the people. Though his weakness and lack of principle, his want of interest in national questions, his pliancy in the hands of his political opponents accompanied by sacrifices of rights and principles which were precious to me often deeply wounded me and brought me into collision with him, all this did not alter the fact that I continued to labour loyally at his side, in the firm confidence that his wanderings were to be attributed to nothing worse than temporary aberration on the path of our national welfare. Till the crisis came I resisted the conviction that there was calculated purpose in his



## South Africa

conduct, and went on loyally helping and supporting him, hoping that all would come right. That time is now past. There is no room for me in the Union Government as a colleague under General Botha's leadership. There is for me no place in a cabinet led by a man who by word and deed makes it known that his policy differs in no single particular from that of our most irreconcilable enemies. General Botha's path is not mine. I cannot and I must not follow him in it—General Botha, the unconcerned surrenderer of the Dutch people's rights, I their champion; General Botha, the champion of Imperialism, even where it is not in the interests of South Africa, I its opponent as soon as it ceases to be so; General Botha the careless sower, scattering ill-will broadcast among the people in the name of conciliation, I the advocate of a South African nationalism which alone will draw the different sections of the people into a real union of hearts; General Botha the pleader for a party without principles, I the champion of a party with principles; General Botha the enemy of principles and of confessing them, I his antagonist, who insist that there must be principles and that they must be openly confessed. . . .

Whether the people is to be led for the future not blindly, but by fixed national principles; whether its leaders are to speak out on those principles, without threat of danger if they do so; whether the rights of the Dutch-speaking population in South Africa are to be surrendered any longer by our leaders; whether it is to be possible to condemn an Imperialism in conflict with the interests of South Africa without being treated as a criminal by the Prime Minister; whether we are to seek conciliation by empty compliments plastering over mutual distrust, or by acting fairly and straightforwardly to each other, by mutual respect and understanding, and, above all, by developing a proud sense that as South Africans we are brothers; these are questions waiting to be decided. This decision will have to be given by the people.

Note in this passage two things: the constant insistence on the personal pronoun; the assumption that "the people" means only the Dutch-speaking people of South Africa. These two points contain the essence of the Hertzog creed; but they have never before been stated with such *naïveté* or with such an obvious disregard of the consequences which they would entail if put into practice in a country like South Africa. There is reason to think that their expression in General Hertzog's manifesto has given pause to many who were at first inclined to follow him with unreflective enthusiasm. At meetings recently held in the Transvaal by

## The Nationalist Crisis

General de Wet, one of the most ardent of General Hertzog's supporters, it has been made clear that the majority of the Dutch-speaking people, in these districts at least, are supporters of the Prime Minister. It would doubtless be unwise to over-estimate the importance of such manifestations of pro-Botha feeling. South Africa is a large country, and the feeling of the people of one district may be very different from the feeling of those of another. The Transvaal, too, is naturally the stronghold of the Prime Minister. But the same tendency is very evident among the Nationalist members of Parliament. On several occasions during the present session General Hertzog, who remains, of course, a member of the House of Assembly, has tested his strength. The results must have been very disappointing to him; they have certainly surprised those who thought that, though beaten in the Nationalist caucus, he would be able to command considerable support in the House.\*

It is understood that the quarrel between the rival leaders is to be fought out at a meeting of representatives of the Nationalist party from all over the country. The date of this meeting is still uncertain. No doubt the Hertzog faction will try to force it on as soon as possible. But General Botha is not likely to fail to recognize that time is on his side. Parliament has definitely requested the Government to consult with the Imperial Government on the question of naval defence, and if there is any truth in the rumour that General Smuts is to go to England for this purpose as soon as the session is over, the Nationalist party congress can hardly be held until the autumn.

But, though time is in favour of General Botha, and though he may be trusted to use this asset to its fullest value, there is no doubt that the quarrel in the Nationalist party has had a paralyzing effect upon the conduct of the Govern-

\*Since the above was written Mr Fischer has issued a manifesto dissociating himself from the policy of General Hertzog, and alleging that it lost General Hertzog the support of eleven out of the sixteen members from the Free State.—[ED.]



## South Africa

ment during the present session. Two months have passed and nothing has been done. The bills announced in the Governor-General's speech still linger in the pigeon-holes of the ministerial departments. The financial policy enunciated by General Smuts is a policy of budgetting for a deficit of over a million. Up to the date of writing, the Opposition in the House of Assembly, with singular self-control, has refused to add to the internal embarrassments of the ministry by using these opportunities to exercise its natural function of criticism. The reason for this course is the instinctive feeling that anything which assists General Hertzog against General Botha must be detrimental to the best interests of the country. But a complete paralysis of the function of Parliament would be hardly less detrimental; and the day cannot be long delayed when the Unionist leader will be compelled to remind the Prime Minister that even an Opposition which has conducted itself as though it were the Providence ruling the destinies of its country cannot much longer be expected to help a ministry incapable of helping itself. The present state of affairs, in the opinion of every competent observer, cannot last much longer.\*

### II. UNIVERSITY REFORM.

THE late Mr Alfred Beit bequeathed £200,000 to the University which it was proposed to establish near Johannesburg on land which he had given for that purpose in his lifetime. This University, however, was never founded. In 1910 Mr Otto Beit and Sir Julius Wernher each offered the Union Government £250,000 for the establishment of a National Teaching University on Mr Rhodes'

\* On April 29 Mr Cresswell's "no confidence" motion was defeated by sixty-eight votes to forty-two, including the Labour members and seven supporters of General Hertzog.—[Ed.]



## University Reform

former estate, Groote Schuur, Capetown, on condition that Mr Alfred Beit's bequest and his gift of land near Johannesburg should be resigned. This generous offer was accepted. Some months later the De Beers Company contributed £25,000 for the same purpose, and recently a French committee has given 55,000 francs towards the endowment of a chair of French in the proposed University. The Minister of Education, Mr Malan, has found the elaboration of a University scheme, which would satisfy any one of the many parties interested, a task of great difficulty, and the bill which is now before a Select Committee has been damned with faint praise by the trustees for the Wernher-Beit bequest and with very vigorous vituperation by some sections of public and academic opinion in the country. No criticism of it, however, would be intelligible without some preliminary account of the existing educational system.

The University of the Cape of Good Hope received its charter in 1879. It is an examining body pure and simple, yet with this function, so modest in theory, it has in practice come to control secondary and University education throughout British South Africa. When he has passed through Standard VII, "shades of the prison-house begin to close upon the growing boy"; he must either leave school or become a candidate for University examinations. By a kind of human sagination he is taken in two or three years through the detailed syllabuses of two University examinations, and at the age of sixteen to seventeen is cast upon the University colleges as a matriculated student. In the University of Glasgow about 200 students matriculate annually; in South Africa, with a white population very little larger than that of Glasgow, 1,600 to 2,000 candidates are presented every year for the University matriculation examination, and of these 800 to 1,000 pass. The cause of this disproportion must be sought in the character of the South African examination. It is a rather elementary test in five or six subjects, in each of which the range of

## South Africa

work is carefully prescribed. The standard required for a pass is very low; the examiners are instructed to expect, and to give credit for, nothing but bare fact—presentation, style and linguistic sense are alike discounted. It frequently happens that, notwithstanding all these precautions, the group of examiners in a subject are unable to avoid a heavy “plough”; but for these emergencies the University appoints a revising committee, with power to overrule the examiners’ marking by lowering the minimum or adding a percentage to all marks. In this way a class-list of the customary length is assured.

The candidates for this examination enter from every district of South Africa and from schools of very various kinds. In certain centres—e.g. the old Dutch towns near Capetown, or, in the Eastern Province, Grahamstown, or in the Free State, Bloemfontein—a type of school has arisen which attracts pupils from all parts of the country and in which an elaborate system of “cramming” for University examinations has been organized. These institutions are reasonably well equipped; their work, however, is not only, from the nature of the examination, necessarily mechanical, but, even when judged by “cram-work” standards, slipshod and incomplete. In the large English-speaking centres, such as Kimberley, Port Elizabeth or East London, there is no lack of moderately good schools, but as the interests of the population are mainly commercial there is unfortunately very little of that enthusiasm for higher education which is so marked amongst the Dutch inhabitants of the country districts. A large proportion of the 2,000 annual candidates is entered in small batches from the day-schools of the dorps. These schools are inadequately equipped for any genuine matriculation work; and are the great source from which that refuge of the unworthy, Class III, is filled.

Such, briefly, is the natural history, as it were, of the potential undergraduate. His mind is a kind of prehistoric universe, a yawning gulf dotted with nebular blurs of fragmentary information. From what should be the most forma-



## University Reform

tive stage of his development he emerges with one great force to drive him further, the conviction that the passing of examinations is the end of life. As an undergraduate, his first year is occupied with the University intermediate examination (a mixture of Arts and Science subjects); two further years lead to the pass degree in Arts or Science. The abler men may take, *at the same time* as their pass degree, an examination for Honours in some particular branch—e.g. classics or history for the Arts, chemistry or zoology for the Science, student. These courses follow closely the lines of the earlier examinations. The work is “cram” work, it rarely rises above the level of a good secondary school, the standard even at this level is very low and the examinations are conducted from outside. The professors and lecturers of the University Colleges interpret a prescribed syllabus. Their titles are courtesy titles: they are in reality school teachers. The examiners are in most cases academic amateurs.

There are now seven University Colleges in South Africa. They are all Government-aided, though the extent of the grant varies with different institutions. The two most important colleges are the oldest, the South African College, Capetown, and the Victoria College, Stellenbosch, which together contain almost 70 per cent of the total number of University students. The South African College is the best equipped and the largest institution of its kind in the country. The Government grant makes up 58 per cent of its total income. Its students are drawn almost equally from the two nationalities. The Victoria College has for long been its principal rival. Stellenbosch is within thirty miles of Capetown and is a strong Dutch centre. It is the seat of the Theological Seminary of the Dutch Church, and this body exercises a predominant influence on the management of the Victoria College and of the other educational institutions of the town. At Wellington, near Capetown, is the Huguenot College for women students. The other University Colleges have arisen within the last eight



## South Africa

years in consequence of a demand in the districts further removed from Capetown for local facilities for University education. The most important of them is the Rhodes University College, Grahamstown. It has been heavily endowed by the Rhodes trustees, the Government grant amounting only to 43 per cent of its income. The majority of its students are English-speaking. In 1910 three new colleges were founded in Bloemfontein, Pretoria and Pietermaritzburg. The Government contributes over 90 per cent of their income; they are poorly equipped but attract a limited number of students by offering valuable bursaries to anyone who cares to apply. This iniquitous system has had two consequences. In the first place, the older colleges are compelled to divert money, which they require for extensions and improvements, to a scholarship fund to compete against the younger colleges; secondly, the standard of University examinations is kept, owing to the inadequate equipment of the new institutions, far below the level which the older colleges are capable of attaining.

Such, in brief outline, is the working of the present University as it affects both secondary schools and University Colleges. That reforms are urgently needed is widely admitted; but as to the nature and the scope of such reforms there is no kind of agreement. Local, provincial and racial loyalties are united to distort and obscure the issues. There is even a sentimental tendency in some circles to deplore the fate impending over the old University. The problem calls for intimate knowledge of existing conditions combined with the power of taking a broad view. Unfortunately the facts are known fully only to teachers in the schools and colleges. The few public men, on the other hand, whose standpoint is national, know the University system only at second-hand.

It seems clear that any measure intended to provide a lasting settlement must satisfy three conditions: it must give effect as far as possible to the wishes of the donors or their trustees, it must decide the future of the existing University

## University Reform

Colleges, and it must define clearly the relations which are to exist between the schools and the University. It is interesting to examine how far Mr Malan's present bill solves or attempts to solve these three problems.

The only condition originally imposed by the donors was that there should be "equal opportunities for all who require University teaching": at a later date they insisted that the University "must be a Residential Teaching University," that "bilingualism must stand back," and that the donors should have influential representation on any statutory commission which the Government might nominate. Mr Malan avoids a definite decision on any of these points. His bill sets up a teaching University but leaves the establishment of hostels to the option of the governing body. It enacts that "the University shall, as far as practicable, make provision to meet the choice of candidates to be instructed or examined in any subject through the medium of either official language of the Union." The words quoted, which have recently been criticized as being in effect an amendment of the language clause of the Act of Union, bind the Government to nothing. The donors seem likely to insist that no penny of their £500,000 shall be diverted to bilingual ends; more than this they cannot equitably demand. As the bill makes no provision for further endowment of the University from any other source, it is difficult to see how bilingualism will ever become "practicable." Finally, the appointment of the statutory commission is left with the Governor-General, so that the question of the representation of the donors on that body is merely deferred.

With regard to the future of the existing colleges, though the bill is extraordinarily vague, it is possible to surmise what are the Government's intentions. Provision is made for the recognition of "local faculties" of Arts and Science at any of the existing colleges which make application; at the same time any such college may apply to be "merged" in the central seat of the University. We are



## South Africa

not told what exactly "merging" means; it is clear, however, that some kind of absorption is intended, and, if so, the clause could scarcely affect any institution outside Capetown, any institution, that is, except the South African College. On the other hand the establishment of local faculties in the seven existing colleges—and they would undoubtedly all apply—would remove none of the present evils. Unless the clause is to be a mere idle form, the Government must continue to subsidize the local faculties, at the expense of the new University, as heavily as they now subsidize the colleges. The National University then appears in the quite minor role of an eighth competitor. In place of the one strong University for which we had hoped, we still have a group of inadequately equipped colleges, seven of them examined as before mainly from without.

There remains the question of the future relations of the schools and the University. Under the bill the new University is to take over the examining functions of the present body; a University matriculation examination will continue to control the work of the secondary schools. This examination, however, is no longer to be an entrance examination to a University course: for this purpose it is to be replaced by the present intermediate examination. Since there are no secondary schools in South Africa capable of preparing boys for the intermediate, this course must be taken in one of the seven University Colleges. As these colleges will also have local faculties for University work, they will be at the same time secondary schools and University Colleges. The University "freshman" will indeed be older than he has been, but before he reaches the University he will have to pass through three distinct institutions—an elementary school, a secondary school and the school division of a University College. It is extremely probable that he will weary of this vagabond existence and elect to remain for his degree course at the local faculty of the college in which he has taken his intermediate. In that case the National University will be further handicapped by



## University Reform

unnatural competition. There seems little likelihood that the standard of work in the schools will be appreciably raised by these changes. Teachers will still be fettered by external examinations; and as an examining board for schools, there is no guarantee that the new University will be any more satisfactory than the old has been.

It is difficult to avoid the conclusion that Mr Malan, in his desire to conciliate as many interests as possible, has, while conciliating none, missed the essential difficulties and requirements of the position. He has failed to realize that no mere modification of the present institutions can ever create a sound system either of secondary school or of University education; he has failed also to realize that these are parts of the same whole. For the secondary school is, as it were, the hopper from which the University is fed. As long as the schools are mere "cramming" establishments, the most elaborately equipped University in the world would be foredoomed to failure. Conversely the best possible schools, without a genuine University, would miss the crown to all their work. Our most pressing educational need in South Africa is a body of good secondary schools, scattered over the country in convenient centres. Centres there must be, until the country is richer and more populous. In the past every dorp has claimed the best and our best has been debased to meet the claim, while the large towns have paid the bill. The secondary schools must be freed from the tyranny of any University: they must be allowed to educate and not to "cram." In the higher forms boys will specialize when the mind is best developed by concentration on a few subjects. The centres also will specialize—Johannesburg in schools like the German *Oberrealschulen*, Capetown in *Gymnasias*.

To advance the work begun in these schools is the task of a University. It is difficult to define what exactly constitutes a University: the name is claimed in different countries, and even within the borders of the same country, by institutions of very varied types. It would seem, how-

## South Africa

ever, that the name can only rightly be applied when the work done by students involves individual thinking at an advanced stage. This does not imply original, in the sense of new, work, for in most cases this is plainly impossible. It means that the student must acquire his knowledge of a subject by the exercise, on certain material, of his own thinking powers, and not, as in South Africa at present, by simple memorizing of what is placed before him. This kind of individual work a University must demand from every student. Its own functions, however, are twofold, according to the objects which students have in view. On the one hand, it is a training school for the professions—for education, the church, medicine, agriculture, law or engineering—and as such may exercise a most powerful influence on a nation's life; on the other hand, it is a school of research for the exceptional man who is fitted to carry out research work, and is thus a link binding national aims to that ideal of a wider humanity, the search for knowledge.

There is no stronger case for such a University anywhere in the world than in South Africa to-day. South Africans are compelled to study in Europe or America for almost all professions. The existing colleges have few professors competent to conduct research and little of the indispensable apparatus; yet in almost every field of scientific work the country offers exceptional opportunities for original investigation. A complete University would cost, in equipment and endowment, at least £2,000,000; with the most strenuous efforts South Africa will not, for very many years, be able to afford more than one such University. It must be clearly understood that the division of the same sum amongst several colleges would be useless: a medical school or a chemical research laboratory are as indivisible as they are expensive. Economy is necessary, and in this instance the most comprehensive scheme is the cheapest. The £500,000 offered by the donors is a valuable nucleus fund, but it must be augmented by every penny which the country can spend on University education.



## University Reform

If now we again ask what relations should exist between the schools and the new University, and what future lies before the existing University Colleges, it is evident that these two questions have already been answered indirectly. No reform can be adequate which does not involve, first, the liberation of the schools from the control of the University, and, secondly, the concentration of all University work in one National University. The University Colleges will no longer make the pretence of University teaching: they will be transformed into the first genuine secondary schools in the country. The colleges in Grahamstown, Bloemfontein, Pietermaritzburg and Pretoria, though they will lose their present unmerited prestige, will turn to activities infinitely more useful and honourable. They will be called on to recognize that the University is essentially a national, rather than a provincial, institution, but they will represent provincial needs and provincial aspirations in a field in which provincial feeling is legitimate and necessary. The South African College will be absorbed in the new University as a valuable foundation on which to build. It is within easy range of Groote Schuur, if it is ultimately decided that Groote Schuur should be the seat of the University: on many grounds there is a stronger case for a University in Capetown itself. There remains the position of Stellenbosch to be considered. This is unique in two respects. In the first place, it is a centre of racial rather than of provincial feeling, and, secondly, it is so near Capetown that, even if the population of the country admitted of a separate University for each province, it would always remain impossible for two Universities to exist in Stellenbosch and Capetown. Stellenbosch might conceivably establish a Dutch University, working definitely for "two streams" in the national life. This is, however, unlikely; it is coming more and more to be realized by all sections of public opinion that, since the two peoples are to live and work together, they must be educated together. Again, it might be feasible to divide the new University between Capetown and Stellenbosch, by



## South Africa

leaving the Arts side to Stellenbosch and the Science to Capetown. Such a solution, however, would strip the University of much of its usefulness: for creating breadth of view nothing can replace the free intermingling of students of all faculties. On the whole, provided that every opportunity is offered in the new University for the natural development of students of Dutch nationality, it is not easy to see that Stellenbosch has more to gain than any other college by keeping aloof. As a strong secondary school for the predominantly Dutch districts of the western Cape Province, the Victoria College would continue to do invaluable work in its own peculiar sphere.

This leads us back to the only condition made by the donors which is likely to present any difficulties, the condition that "bilingualism must stand aside." In a National University bilingualism plainly cannot stand aside, though it may not be provided for from the £500,000 of the donors. It is important, therefore, to examine how far bilingualism can legitimately be enforced and what demand there will be for it. It was the aim of General Hertzog's education policy in the Free State that every teacher should be able to give instruction in either language. This, even at the standard of elementary school work, is a vicious principle. It may be possible and desirable for a policeman or a railway porter to be bilingual in this sense, but it is the business of a teacher to know a language accurately and exhaustively, and this kind of familiarity is unattainable in more than one tongue. Every argument which can be advanced against bilingualism in this sense as a qualification for teachers carries double weight in the case of University professors. This Mr Malan has recognized in correspondence with the donors. It may, therefore, be assumed that tuition and examination in Dutch will be secured only by a duplication of chairs.

The question then becomes of importance, how far there is likely to be a demand for such duplication. For if there were a prospect of duplication throughout, it is clear that

## University Reform

the same end might be attained by the establishment of separate Dutch and English Universities. There is a movement afoot to convert the somewhat languid sentiment of the Dutch for their language into a passionate demand for Dutch as a medium of instruction in the schools and the University. On its academic side this movement is controlled from Stellenbosch and in Stellenbosch mainly from the Theological Seminary of the Dutch Church: its aims find a political voice in the Hertzog section of the Nationalist party. Up to the present, in spite of enthusiastic language demonstrations, the movement has had little practical success. In the matriculation examination of 1912, from six to ten candidates out of a total of 1,700 elected to be examined in Dutch in subjects like Latin or mathematics, and the work of this small minority was without exception bad. The reasons for this apathy are not far to seek. In the first place, the Dutch themselves are unable to determine what exactly they mean by the Dutch language. One group desires to clothe the Taal—the colloquial Dutch of the country, a *patois* with no grammar and a meagre vocabulary—in the trappings of a genuine language as the future Dutch language of South Africa. A much stronger group advocates the retention of the Taal as the spoken language side by side with a form of Netherlands Dutch, stripped of its latter-day Gallic ornament, as the written language. Whichever of these views ultimately prevails—and more especially as long as the schism continues—it is clear that Dutch will be at a serious disadvantage in competition with such a living and penetrative tongue as English.

Secondly, Dutch in any form is unsuited to University work, more especially in Science. It is of primary importance to a scientist that his work should reach as large a public as possible. Dutch, unlike English or French or German, is scarcely known outside the very limited area in which it is spoken. This is so apparent to everyone in Holland itself that many of the most distinguished professors in the Dutch Universities write and lecture in German. In South Africa



## South Africa

the man who desires to work in any branch of applied science is compelled to work through the medium of English, since the mining and industrial centres are entirely under English control. Signs are not wanting that this is recognized by the South African student, and it is inconceivable that there will ever be a keen demand for Dutch chairs in scientific subjects.

This language movement is academic and out of touch with the changes taking place in the country districts. The present tendency in South Africa is everywhere towards progress; farming is being made a business proposition, the frontiers of the backveld are everywhere receding. When life begins to be touched by business ideas, the footing of English is established. The Dutch themselves will kill the language movement as they realize the narrow limits it would set to their future. English-speaking South Africans would not move to prevent the new University being bilingual; but it is certain that there will be no great demand for duplication of chairs.

It is on some such lines as these we have described that a settlement of the University question must be sought. It would be idle to suppose that any such scheme would not meet with vigorous opposition. It is so easy for the existing colleges to rouse provincial feeling in its most debased form by merely emphasizing that the new University is to be in Capetown, and provincial feeling is just now very virulent and a national standpoint far to seek. It will be argued that the reform is too drastic and would destroy too many established interests. Yet in education there is no room for compromise; no system, if vicious, can rightly claim to be preserved on grounds of age. The best chance of success of the scheme we have outlined lies in the fact that it does diagnose a specific malady and it does furnish an undoubted cure. As far as public opinion has concerned itself with University reform at all—and a University bill is never a popular cry—it has been at a loss to know what



## University Reform

exactly was wrong and where the remedy was to be found. As soon as we can convince a sufficiently large public that South Africa does badly need a University, and, if it is not to be content with a sham, can only afford one, we shall be in a fair way to a satisfactory University bill.

The University problem is not merely an isolated South African domestic difficulty: if it were, it would not merit treatment at such length in *THE ROUND TABLE*. It has a wider interest, in that it illustrates admirably an important difference between most South African problems and those of the other Dominions. Our most serious problems only exist at all because of repeated and almost incredible blundering in the past. We alone of the Dominions have forfeited that inspiring privilege of a new country, the power of building up without first having to pull down. We are unable to build at all until we have broken down barriers of prejudice and self-interest. This fact reduces the rate of our material progress: we can never expect to advance on a flood-tide, as Canada and, in a less degree, Australia, have advanced. On the other hand, we may, through great responsibilities, develop like qualities, and if ever our day of greatness comes, it will be to a people which has passed through fire to self-realization.

South Africa. April 1913.

## NEW ZEALAND

### I. THE LABOUR MOVEMENT

SINCE the question was last discussed in THE ROUND TABLE the Labour movement in New Zealand has taken a forward leap of a most critical nature, and is in consequence engaging a great deal of attention throughout the Dominion. In non-labour circles, where the development in question was certainly not anticipated, there is a fairly general consensus of opinion that the result will be a setback to the past years' flowing tide of labour advance in the political sphere; and there is consequent jubilation, or damping of mild enthusiasm, according to the point of view of the commentator. But the judgment is in any case somewhat premature and superficial, and some months must elapse before it can be either confirmed or confuted.

In previous issues of THE ROUND TABLE (Nos. 5, 8, 10) it has been explained:

1. That a year or two ago there was no distinctive Labour factor in New Zealand politics, the liberal-labour policy of the Continuous Ministry having successfully inhibited the emergence of a real Labour party like that of Australia.

2. That there exists a strong *industrial* organization in the New Zealand Federation of Labour: a body composed chiefly of miners and maritime transport workers (a mere fraction of all the "workers" of New Zealand, but intensively organized for "solidarity") aggressively antagonistic to the employer of labour, impatient of the pacific methods of conciliation and arbitration, and apparently ready at any

## The Labour Movement

moment to plunge the country into complete disorganization by strike methods of the most extreme order.

3. That the unions affiliated to the Trades and Labour Councils, representing workers of law-abiding inclination who believe in political action rather than industrial revolution, had united under the able leadership of an American Socialistic organizer, W. T. Mills, and had inaugurated, at a "Unity Conference" of Easter, 1912, a new industrial and political organization under the name of the United Labour Party.\*

During the past year the conspicuous facts of the Labour movement have been the steady growth and influence of the new Labour party, and the war waged round the inglorious Waihi strike, which resulted in discredit to the F.L. executive and in considerable gain of reputation to the new Government for its firm and consistent handling of the situation. And these have not been separate facts, for a most significant element in the Waihi struggle was the strong and independent line taken by the U.L.P., through its "national organizer," W. T. Mills, who steered a middle course between Government and Federation, firing heavy broadsides at both.

The constitution of the U.L.P. is a carefully constructed document, definitely directed towards the inclusion under one organization of "all the useful people of New Zealand," as opposed to those whom the party considers to be wealthy to the detriment of the common good. Very systematic provision is made in it for thoroughly democratic control of all activities, industrial or political. The capture of the mayoralty both in Christchurch and in Wellington by a minority

\* It will be convenient in this statement, in which frequent reference to the Federation of Labour and the United Labour Party has to be made, to use the recognized abbreviations: F.L. and U.L.P.

Both parties are actuated by Socialistic ideas, but there is a very great difference in degree. The F.L. professes extreme Revolutionary Socialism and shows more than a disposition to Syndicalism and sabotage; while the U.L.P. includes men and women of every school of socialistic thought, besides many who have in the past been strongly averse to the name of Socialist.



## New Zealand

vote in each case was some indication of the success of the political machinery, which is shortly to undergo a more searching test in the general municipal elections. The fairness of its democratic principles has undoubtedly won support for the party from a considerable section of the educated and thinking public.

But at the conference which inaugurated the U.L.P. there was a very strong feeling among the delegates that the effectiveness of the unity achieved was seriously weakened by the quite inappreciable representation on the conference of the unions affiliated to the F.L. The latter organization was at that time contemptuously adverse to the moderate policy associated with the Unity proposals, and refused to meet the overtures which were again and again made to it to join in the effort after unity. It has undoubtedly been the greatest obstacle to the subsequent success of both organizations that they found themselves, during the past year, in active opposition to one another, while the rank and file of their membership was very restive under what it instinctively regarded as a most undesirable and undermining division into opposing camps. On the other hand, the U.L.P. gained considerably in prestige by its resolute opposition to the anarchy of the F.L. during the Waihi strike.

The complete rout of the F.L. at Waihi has had the not unnatural effect of paving the way for a genuine unification of the Labour forces of New Zealand, but the actual turn of events has proved to be of a somewhat unexpected character. The F.L. executive has saved itself from effacement by forcing the situation, and its success has greatly endangered the support accorded to the policy of the U.L.P. not only by educated men who cannot by any stretch of imagination be accused of selfish interest in their faith in democratic principles, but also by the soundest men of the "working class." The support of the former class looked like giving great strength and steady balance to the Labour movement in New Zealand; its loss might not seriously

## The Labour Movement

diminish the sheer momentum of the movement, but it could hardly fail to prove a real disaster to the country. Labour is a coming power in New Zealand: it is of vital consequence what spirit controls its powerful activity.

The new situation has come about in this way. The U.L.P. is constituted to operate through a Dominion executive and an annual conference. During the past year a provisional executive, elected at the Unity Conference, has managed the party's affairs with a view to launching the complete scheme at the first regular conference this Easter. Meanwhile the organization was inevitably weak, and the F.L. executive stole a march upon it by summoning a conference of trades unions in January, to consider the consolidation of the Labour forces of New Zealand. This was a check to which the U.L.P. executive could only reply by asking its affiliated unions not to recognize the somewhat arbitrary summons that was sent out. Nevertheless, a very considerable proportion of the men who had taken part in the Unity Conference of 1912 were delegates to this conference also, and there were represented many unions which have not so far found it expedient to join either of the rival organizations. The dominant consideration impelling the unions to send representatives was the strong desire which exists for the healing of breaches in the Labour ranks. The chief ground of common belief at this conference was repudiation of the Industrial Conciliation and Arbitration Act.

The first matter of importance discussed at the January conference was a proposal to invite the Dominion executive of the U.L.P. The discussion showed that the most militant leaders of the F.L. were strongly opposed to any such definite recognition of the other organization, but that among the delegates there was a very strong body of opinion in favour of linking up. Finally the suggested representation of the U.L.P. was reduced to two, and with this modification the proposal was carried by fifty votes to forty, a division which may be taken as an indication of the pressure



## New Zealand

which is being put upon the Federation leaders even by the unions least adverse to their past policy and methods. In this way the national organizer of the U.L.P. came upon the scene and was able to have a determining influence on the subsequent proceedings.

The outcome of the conference was a unanimous and emphatic declaration of the need for unity. Nothing final was, or could be, decided by such a conference, but the two executives agreed to throw all their energy, during the first six months of the year, into establishing two parallel organizations, one industrial, to be called "The United Federation of Labour," the other political, to be called "The Social Democratic Party." A sub-committee was set up, including the leaders of both organizations, to arrange a "joint congress of unions" in July, and to present for consideration at that congress draft constitutions for the two new organizations. The conference recommended an "outline indicating the lines along which constitutions should be drawn up by the sub-committee," and this includes a preamble to the industrial scheme which smacks very strongly of Federation rhetoric, opening, for example, with the foolish proposition that "the working class and the employing class have nothing in common." The ultimate object, suggested by the outline, is that "of securing to the workers the full product of their labour," but one feels that this excellent ideal is mainly used as an appeal to the self-interest of those "workers," and that very little attempt is made to awaken the tremendous responsibility which devolves upon the leaders of such an enterprise; there is no probability that either of the terms "worker" or "full product of labour" has any definite meaning to the body of people concerned. Apart from this, however, the United Labour Party has stamped its soundly democratic methods of organization upon the scheme, and that is a sufficiently remarkable achievement under the circumstances. The proposals, if brought into effect, should remove the paramount evil of the autocratic sway which has been



## The Labour Movement

exercised by irresponsible agitators, since it provides that any future executive shall be elected on an absolutely democratic franchise of the members of the organization, and that all strikes, of whatever magnitude, shall be subject to the control of the majority of the workers involved.

A paragraph in the outlined proposals "leaves the matter of registration or of not registering, or of cancelling registration under the Conciliation and Arbitration Act entirely with each union." This result must be accounted as a considerable achievement by the U.L.P. in view of the general antagonism of the delegates to the Act. The paragraph concludes with the declaration that in any case the new organization "will oppose registration of any new union to succeed any union which may have cancelled its registration, and will seek for legislation to that effect." The unions believe, rightly or wrongly, that they have been robbed of their right of unfettered negotiation with the employers by the formation of "bogus unions." This is a complex question which cannot be discussed further in the present article.

Interest now concentrates upon the question of whether the trades unions will endorse the findings of the January conference, and whether the July congress will succeed in hammering out a constitution, or constitutions, acceptable to the general body of workers. But it may be said right out that the commonly accepted opinion, that "the U.L.P. has been swallowed whole by the Red Federation"—however loudly proclaimed by the daily press and triumphantly echoed by the F.L. organ—has been formed without adequate regard to the facts. It ignores the circumstances that the January conference was called and controlled by the F.L. executive, smarting under recent humiliation and exceedingly sensitive to criticism; that the other organization was brought in only through the internal compulsion of the rank and file of delegates; that the report adopted was drawn up by a sub-committee on which the Federation leaders had a large majority, and yet fully acknowledged

## New Zealand

the unsoundness of the methods which have brought discredit upon the F.L.; and that the decisive congress will in all likelihood have an overwhelming majority of men pledged to the policy of the U.L.P. All things considered, it would seem to an unprejudiced view that the U.L.P. could hardly have done other than it has done, up to the present stage. But it has in front of it a very difficult task indeed, if it is to reconcile its claim upon the general thinking public with its alliance to the blatant demagogues of the extreme Labour wing. In any case, it may be regarded as practically certain that there will be by the end of this year a strong radical Labour party in New Zealand, aggressively independent of the two existing political parties.

A point immediately at issue is the attitude of the Labour people upon the present defence policy of the Dominion. In their ranks are some of the most extreme opponents of the Military Training scheme, and the leading men at the recent conference are almost all against a compulsory system. On the other hand differences on this subject were so acute at the Unity Conference of Easter, 1912, that the U.L.P. would not then have been inaugurated but for agreement to shelve that particular question for the time being. It is not possible to forecast what the July congress will do with regard to this, but some clear declaration of policy upon this national and imperial question must be made by any definitely established political party.

## II. NAVAL DEFENCE

[Previous contributions to the New Zealand section of *THE ROUND TABLE* have dwelt upon the advisability of naval co-operation between New Zealand and Australia. The merits, or demerits, of that course are playing a part of increasing importance in the discussion of the naval problem in New Zealand, and we publish this contribution as a valuable expression of what may perhaps be called the anti-Australian view.]

SINCE the last New Zealand letter was written Parliament has been in recess, and few matters of great local importance have come forward to attract attention. An



## Naval Defence

opportunity has thus been afforded for consideration of external affairs. Among these the one which most nearly touches New Zealand is the subject of naval defence, and while there has been little attempt so far to ascertain and crystallize public opinion, or to form clearly reasoned conclusions upon the subject, recent events have directed the attention of the press and the people to the topic, and have led to some discussion, albeit of a very general and desultory character. The cabled report of the King's visit to the warship "New Zealand" has stimulated the public sense of co-operation in Imperial affairs, while the brief news which we have so far received of the work of the Hon. James Allen in London has directed attention to the practical problems involved in a scheme for the participation of the Dominions in naval defence. Added to this, more detailed information is now to hand concerning Canada's proposals, and has served to emphasize the wide apparent divergence between Mr Borden's views and those held by the party in power in Australia. True, the newspapers have for the most part been engaged in expounding the obvious, indulging in generalities, and voicing vague aspirations without attempting to discuss the practical difficulties or to weigh the considerations involved in deliberate acceptance of a policy. None the less, we as a people are beginning to realize that a question of the profoundest importance lies before us for solution. No doubt, before this letter is published Mr Allen will have come to some arrangement—provisional, of course, and subject to ratification here—with the British Government. But the question of New Zealand's policy will for some time to come be keenly debated here, and it is not out of place to attempt a general review of the position which confronts us.

The ideal of co-operation, upon a basis satisfactory to all, between Canada, Australia and New Zealand in the defence of the Pacific is one which appeals to most, and, given agreement on certain broad essentials, little difficulty will be experienced in securing general support in this country



## New Zealand

for a scheme of common action on the part of the countries named. For in many respects these countries stand in the same position. The Imperial spirit is strong in each, their need is common, and all alike have awakened to the fact that ordinary fairness and self-respect demand that we should take up a reasonable share of the burden which international rivalry has imposed upon the Empire. The aim of each is, in Mr Borden's words, to "combine co-operation with autonomy," to satisfy at once the Imperial desire to do our duty and the natural local desire to foster a sense of local ownership and control, at the same time achieving that efficiency in co-operation without which local endeavour will prove but a futile, costly and pretentious experiment.

At the present moment each of the Dominions is pursuing a different plan. Canada proposes to find seven millions for the construction of three ships, which, to quote the Prime Minister,

will be at the disposal of His Majesty the King for the common defence of the Empire. They will be maintained and controlled as part of the Royal Navy, and we have the assurance that if at any time in the future it be the will of the Canadian people to establish a Canadian unit of the British Navy these vessels can be recalled by the Canadian Government to form part of the Navy, in which case, of course, they will be maintained by Canada and not by Great Britain.

In return for her gift, Canada will have a representative on the Committee of Imperial Defence. Australia, on the other hand, has, at least for the time being, adopted the policy of a local navy, owned and controlled by her. New Zealand at present is paying a money contribution to Great Britain, without any representation or voice in naval affairs, but such a position is obviously only a temporary one, and our permanent policy will largely depend upon the action taken by Canada and Australia.

Two facts stand out quite distinctly. It is, in the first place, clear that our Imperial activities for some time to come can best be directed to the defence of the Pacific. This work is of

## Naval Defence

first-rate importance and affords ample scope for our efforts. It is also plain that co-operation between Australia and New Zealand is desirable if the fundamental basis of the scheme can be made consistent with the views of both.

Before we can discuss the question of co-operation, it is necessary to state the Australian attitude as we understand it from recent utterances of the Federal Prime Minister, Mr Fisher, and the Federal Defence Minister, Senator Pearce. Australia has decided to build, equip, maintain, and man a local navy which will be controlled by the Parliament of the Commonwealth and will be independent of the Admiralty and of the Home Government. She has further emphasized her policy of independent naval action by declining to accede to Great Britain's invitation to appoint a Minister to represent her on the Imperial Defence Committee. Mr Fisher's explanation is that he prefers to send a Minister each year to consult with the Admiralty rather than to appoint a permanent official who would reside in London. The natural inference is that Australia does not wish to be necessarily bound by the decisions of the Defence Committee, but that she is prepared to co-operate with the other parts of the Empire represented thereon so far as its recommendations harmonize with her conceptions of what is in the interests of Australian and Imperial defence. This inference is strengthened by the fact that in the Act for the creation of the Royal Australian Navy it is expressly stated that the Australian unit "may" be placed under the control of the Admiralty in time of war. But, so far as we are aware, neither Mr Fisher nor any other responsible Australian statesman has stated authoritatively that it "will" be transferred to the control of the Admiralty in such a contingency. It is probable that in actual fact the "may be" will prove to be the same as "will be," but none the less the point is of importance, and public opinion in New Zealand, so far as it can be gathered from articles in the press and from the public utterances of the Prime Minister and the Minister for Defence, is against any scheme



## New Zealand

of naval co-operation which is not based on the principle of unity of legal control. At the same time, when we read that Mr Pearce has stated publicly that "Our (the Australian) policy is known to and approved by the Admiralty, and can be adjusted to meet any development in the policies of Canada and New Zealand," there can be little doubt but that it is possible to evolve a scheme that will ensure the effective defence of the Pacific without weakening the principle of harmonious co-operation with the British Admiralty which we consider essential to any project of Imperial defence.

In adopting this self-reliant naval policy, Australia has been influenced by many reasons to which New Zealand must in a large measure subscribe. It is common knowledge that the expansion of Germany's naval power has necessitated the concentration of the British naval forces in the North Sea, with the result that the number of vessels on the Australasian, as well as on the China, South African, Mediterranean and North American Stations, has been considerably reduced. Taking the stations which are most essential to the security of the British possessions in the Pacific and which do most to protect our trade route to Europe, we find that since 1902 the number of vessels in the Mediterranean Squadron has been reduced from 55 to 19, on the North American and West Indies Station from 14 to 3, on the Cape of Good Hope Station from 16 to 3, on the Pacific Coast of North America from 8 to 2, on the China Station from 42 to 31, and on the Australasian Station from 12 to 8. The most casual examination of these figures brings home to us the unpleasant fact that the British Navy has no longer that predominance in every part of the world which it had in 1902. This relative decline in Britain's naval strength has roused the four great Dominions to a sense of their responsibilities, and has brought home to Australia a vivid realization of the dangers to which she is exposed from her isolated position in the confines of the East with its teeming millions of people alien to her in race, religion and national ideals.



## Naval Defence

In Australia's anxiety to build up a naval force which will enable her to do her duty in confronting any dangers which may arise from this quarter we New Zealanders are bound to share; for should an Eastern power once get a firm footing in Australia, nothing would save our Dominion from a similar fate. Another reason which has helped to influence Australia is the belief that in the past England has, in her diplomatic relations with other powers, either wittingly or through ignorance of local conditions and requirements, sacrificed the interests of her great possessions in the South Pacific. We have only to cite the cession of Samoa to Germany, the neglect to acquire New Caledonia, and the toleration of the hopelessly inefficient *condominium* in the New Hebrides to show that this grievance rests on a solid foundation. England by her neglect of Australasian interests in the past has allowed foreign powers to gain naval bases in the South Pacific. Here again New Zealand is thoroughly in sympathy with Australia. Indeed, when Mr Allen said in London the other day that Australia had undertaken greater naval responsibilities than any other Dominion, his tribute to the patriotism with which our Australian brothers have shouldered so great a naval burden was endorsed by every New Zealander who has devoted any thought to the pressing problem of the defence of the Pacific.

But while we admire Australia for the self-reliant policy she has lately adopted, we must yet satisfy ourselves that her naval policy is in the best interests of Imperial defence before we can answer the questions how and to what extent New Zealand can co-operate with her. In the first place it will be necessary to determine what are the fundamental duties of each unit of the Empire with regard to naval and military defence. This involves consideration of the essential features of naval policy and of the strategic value of each class of ship. The object of the enemy in a war with England would be to inflict a damaging blow by landing an expeditionary military force, or to get command of the seas and deprive England of her food supplies. Hence

## New Zealand

a fleet of battleships is concentrated in the home waters to protect the heart of the Empire. From purely selfish motives, apart from all sentimental reasons, New Zealand and Australia are as much concerned as England herself in the efficient defence of the Channel and the North Sea: for should the fleet in the Home waters suffer a defeat, England would lose command of the sea and all parts of the Empire would be exposed to attacks or raids from hostile powers. It was for this reason that the New Zealand Government so readily agreed to the Admiralty's request to place the battleship "New Zealand" in the North Sea instead of in the China Squadron. She felt that she could best contribute to the defence of New Zealand's interests by helping to guard the heart of the Empire.

The Dominions, because of their remoteness, are not exposed to the same danger of attack as the Mother Country. The chief danger to be feared is that an enemy might attack their sea-borne commerce, or land an expeditionary force, which would in all probability be relatively small. The vessels detached for this work would be cruisers, not battleships. The way for each Dominion to provide against raids would be by building and equipping a suitable fleet of cruisers, torpedo-boats, torpedo-destroyers and submarines. It is further incumbent upon each Dominion to build a strong naval base for the local flotilla, and to strengthen the coastal fortifications. Such a naval force working in conjunction with the local territorial forces ought to be sufficiently strong to oppose successfully a raid by a hostile expeditionary force and to do its share in protecting the trade routes of the Empire. Such is the policy which we conceive it is the duty of each Dominion to adopt with regard to local defence, but such a policy must be made to harmonize with whatever scheme may be propounded by the Committee of Imperial Defence. If Australia prefers independent action, while Canada, South Africa and New Zealand support a policy of co-operation with the Mother Country, it will be impossible to evolve the most effective



## Naval Defence

scheme for the defence of the Empire. This view is emphasized by the *New Zealand Herald* in a leading article on Mr Allen's statement in London of the defence policy of the Dominion. After pointing out how useless local Australasian navies would be, unless they worked in harmonious co-operation with the naval forces of Great Britain and the other Dominions, it goes on to say:

But there is no reason whatever why we should not combine with other interested Dominions to bear the full burden of the defence of the Pacific, provided, of course, that we are able to sustain the expense and that we are not made subordinate to Australia or Canada.

The article concludes with a plea for unity of control:

If the Imperial authorities prefer ships and men to money, then it is obviously our duty to give them such ships and men as we can, placing our naval contingent where it best serves the great navy without which our seas are defenceless and our trade routes unprotected. We shall certainly not pay money to Australia instead of to Great Britain under any pretence or under any arrangement whatever.

This, in our opinion, is the view generally held in New Zealand, and so long as it prevails there is little likelihood that New Zealand will co-operate with Australia by urging, for example, that the battleship "New Zealand" be placed in Australasian waters, by giving future naval subsidies to Australia instead of to the British Admiralty, or by establishing a flotilla which would be an integral part of the Australian fleet. Any such arrangement would necessitate the establishment of an Australasian board for naval defence, and we do not see how such a board could work in harmony with the Committee of Imperial Defence; while, unless it were in some sense subsidiary to it, we feel that it would lack the expert advice of the heads of the Admiralty and the accurate knowledge of the policies of foreign powers which could be furnished by the Foreign Office alone. Without such guidance there would be much misdirected



## New Zealand

effort, and considerable waste of the money which the Dominions could furnish only at considerable self-sacrifice. Thus for selfish reasons as well as in the interests of Imperial naval efficiency it would appear to be inexpedient for New Zealand to co-operate with Australia in adopting such an isolated naval policy. Let it again be repeated, however, that the divergence of opinion may be more formal than real, and that there is a good prospect of effecting such a reconciliation of opinion as will lead to a real co-operation between Australia and New Zealand without sacrificing the ideal of Imperial unity.

It is instructive to note that the question of co-operation with Australia, Canada and South Africa in formulating a policy for the defence of the Pacific has for some time past been exercising the minds of our statesmen. In a recent speech the Prime Minister, Mr Massey, said that he was well satisfied with the progress of the defence movement so far as the land forces were concerned, but that he was not so well satisfied with naval matters.

There was much discussion [he said] as to the form which the establishment of a fleet in the Pacific should take, but, as far as New Zealand was concerned, it stood straight out for a British Pacific Fleet. It might consist of ships of Canada, of Australia, of New Zealand and of the British Navy, but, however the details were arranged, there should be no possible question as to the supremacy of the British naval forces in the Pacific. When the first shot was fired, the fleet must be a purely British Imperial fleet and under Imperial control.

The clear intention of these remarks is that the Government is prepared to reconsider the naval policy of the Dominion. It may decide to build a flotilla for coastal defence instead of continuing its subsidy to the Admiralty, but it is determined to support the principle of Imperial naval control.

At the Conference held in 1909 the Admiralty left it open to the Dominions to provide (1) "Local naval forces to be placed at the disposal of the Crown in the event of war," or (2) "A simple contribution of money or material," or (3) "Certain local services not directly of a naval character, but

## Naval Defence

which may relieve the Imperial Government from expenses which would otherwise fall on the British Exchequer." New Zealand presented her Dreadnought after consultation with the Imperial Government, and Mr Borden in like manner has introduced his naval bill for the presentation of three Dreadnoughts to form part of the "British Imperial Fleet." This would seem to indicate that the second of the three courses is the one favoured by the Admiralty. An impression, however, has lately got abroad that it would now welcome the establishment of local units instead of money contributions. Whether there are any real grounds for this impression or not we are not in a position to say, but of this we are assured, that there is an increasing feeling of anxiety about the defence of the Pacific.

This anxiety is in a great measure due to the change which the naval position in the Pacific has undergone since the Russo-Japanese war. Russia has for the time being disappeared as a naval power. The British fleets on the various stations have been considerably reduced, and as a consequence Japan stands unchallenged as the paramount naval power in the Pacific. It is true that during the continuance of the Anglo-Japanese treaty we have nothing to fear from her, but, should Japan at any time see fit to denounce that treaty, the British communities bordering on the Pacific would no longer be secure against aggression. Thus Canadian, Australian and New Zealand statesmen feel that they are confronted with a serious problem of defence, and are beginning to cast about for some scheme of mutual action which will prove acceptable to all concerned. In this connexion a good deal of prominence has been given to the scheme advocated in the last issue of the *Navy League Annual*. This scheme provides for a fleet of eight battleships based on Colombo and Singapore, which would work in conjunction with a squadron of eight battle cruisers based on Capetown. It is proposed that the battleships should be provided by the Mother Country and maintained by India, Ceylon, the Straits Settlements, the Malay States and



## New Zealand

Hong-Kong. The fleet of battle cruisers would act as an Imperial patrol and would be provided as follows: two by the Mother Country, two by Canada, two by Australia, and one each by New Zealand and South Africa. It is further suggested in this scheme that the Dominions should maintain according to their means and population a force of 20,000 men to be available for service in India.

It is probable that in the allocation of the cost of such a scheme a larger proportion should be, and could be, borne by the overseas Dominions, but subject to this criticism the plan has much to commend it, and at least forms a definite basis for discussion. At a critical time the Cape Squadron could get quickly into communication with the Eastern Squadron, and this combined force would be a much more effective means of defence than small local navies acting independently of one another. Moreover, the Admiralty has already recognized the importance of South Africa and Singapore as naval bases. In the former country it has spent large sums of money on the fortifications of Capetown and Simon's Bay, while it has established an up-to-date naval base at Singapore. Mr Allen had some such scheme as this in mind when he advocated co-operation between Canada, South Africa, Australia and New Zealand for the defence of the Pacific. The consummation of any such scheme depends to a great extent upon whether Australia will depart from the independent policy to which we have already referred. In the interests of the defence of the Pacific it is certainly to be hoped that she will adopt a less rigid attitude. Individually the Dominions would be powerless against such a power as Japan; united under some such scheme as that outlined above they would have a naval force that would cause a hostile power to hesitate before attacking any one of them. We must not forget, too, that the opening of the Panama Canal may transfer the naval predominance in the Pacific from Japan to the United States of America. After 1915 the States will keep a strong battleship squadron in the Pacific, and will have their Atlantic squadron within reason-



## Naval Defence

able steaming distance. An almost impregnable base has been established at Honolulu, and the Canal has been strongly fortified to ensure the passage of the fleet from the Atlantic to the Pacific. Thus the United States Navy may in the near future become predominant in the Pacific, and if it could work in conjunction with the suggested Imperial Pacific fleet, we should have an Anglo-Saxon naval force that would be the greatest possible factor in ensuring the peace of the Pacific.

New Zealand. March 1913.



# THE ROUND TABLE

A QUARTERLY REVIEW OF  
THE POLITICS OF THE BRITISH EMPIRE

## CONTENTS

"Downing Street "	page 585
The Arya Samáj	614
The New World and the Old: A Canadian View	637
South Africa and its Native Question	648
United Kingdom:	673
<i>Public Opinion and the Navy—Official Standards and Principles—"Two Keels to One" and the Mediterranean Question—Dominion Ships—The Marconi Sequel</i>	
Canada:	711
<i>The Naval Aid Bill—The Position of the Senate—Business Conditions</i>	
Australia:	725
<i>The General Election and the Referenda—Naval and Military Defence—Industrial Problems</i>	
South Africa:	741
<i>The Consolidation of the Union—The Government Party Dissensions—The Immigrants' Regulation Law—The Rand Strike</i>	
New Zealand:	757
<i>The Visit of H.M.S. "New Zealand"—Naval Policy—The Citizen Army—Labour and the Municipal Elections</i>	

Index to Vol. III.

Nº 12. Price 2/6 SEPTEMBER · MCMXIII

London: MACMILLAN & CO., LTD.



## NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Empire, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Empire are in the hands of local residents who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

THE ROUND TABLE can be obtained through any bookseller or through any of the following:

UNITED KINGDOM: Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.

CANADA: The Macmillan Co., of Canada, 70 Bond Street, Toronto.

AUSTRALIA: Messrs Macmillan & Co., Ltd., 109 Russell Street, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: Messrs Macmillan & Co., Ltd., 44 Hornby Road, Bombay; 294 Bow Bazaar Street, Calcutta.

EGYPT: Mr F. Diemer (Finck & Baylaender Suc.), Shepheard's Building, Cairo.

CHINA, JAPAN AND STRAITS SETTLEMENTS: Messrs Kelly & Walsh, Shanghai, Hong-Kong, Yokohama, Singapore.

UNITED STATES: The Macmillan Co., 64-66 Fifth Avenue, New York.

Anyone who desires any information with regard to THE ROUND TABLE and its objects or who has any difficulty in obtaining a copy at the places mentioned on the opposite page should apply to the following:

UNITED KINGDOM: The Secretary, THE ROUND TABLE, 175 Piccadilly, London, W.

CANADA: A. J. Glazebrook, Esq., 8 Wellington Street E., Toronto; or J. A. Stevenson, Esq., 16A Fort Garry Court, Winnipeg, Manitoba.

AUSTRALIA: F. W. Eggleston, Esq., Imperial Chambers, Bank Place, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: S. A. Atkinson, Esq., 162 Featherston Street, Wellington.

INDIA: H. D. Craik, Esq., Amritsar, Punjab.

The price of THE ROUND TABLE is 2s. 6d. (60 cents, Canadian, or Rs.2) per copy. Annual subscription (including postage) 10s. (\$2.50, or Rs.7/8) per annum. Covers for binding volumes 1s. 6d. (37 cents, or Rs.1/2) can be obtained from the Publishers, Messrs Macmillan & Co., Ltd., St Martin's Street, W.C.

# CONTENTS OF Nos. 8, 9, 10 & 11.

## No. 8. SEPTEMBER, 1912.

India and the Empire	page 587
Canada and the Navy	621
The Labour Movement in Australia	657
United Kingdom:	678
<i>The Difficulties of the Coalition—An Alternative Government</i>	
Canada:	709
<i>The Naval Conference—The Royal Governor—Provincial General Elections</i>	
Australia:	717
<i>A Plea for a National Policy—An Australian Note on Anglo-German Relations</i>	
South Africa:	737
<i>The Parliamentary Session—Ministerial Dissensions—The Reconstruction of the Ministry</i>	
New Zealand:	750
<i>Closer Relations with Australia—The Political Crisis—Compulsory Military Training—Labour Unrest</i>	
Index to Vol. II	

## No. 9. DECEMBER, 1912.

Arbitration and War	page 1
The Balkan Crisis:	30
1. <i>The Outlook</i>	
2. <i>A German View</i>	
India: Old Ways and New	52
Australian Banking and Currency	81
United Kingdom:	98
<i>The Home Rule Bill—The Constitutional Conference (1910)—The Ulster Question—The Committee Stage—Lord Dunraven and Compromise</i>	
Canada:	134
<i>The Naval Proposals—Railway Rates in the West—French in the Schools</i>	
Australia:	152
<i>Strikes and Legislation—The Political Parties—Current Politics—Universal Military Training</i>	
South Africa:	173
<i>The Rhodes Memorial—The Unveiling of the Memorial</i>	
New Zealand:	178
<i>The Change of Government—The Outlook on Imperialism—The Government Policy and Finance—Reform of the Legislative Council—The Resignation of the Governor—The National Training Scheme</i>	



## No. 10. MARCH, 1913.

Policy and Sea Power	page 197
The Unionists and the Food Taxes	232
The Union of England and Scotland	277
Political Crime in India	303
United Kingdom:	318
<i>The Home Rule Bill—The Fate of the Franchise Bill</i>	
Canada:	335
<i>The Canadian Naval Proposals—Western Views of the Panama Canal</i>	
Australia:	352
<i>Finance—Federal Legislation</i>	
South Africa:	368
<i>The Ministerial Crisis—The Labour Party</i>	
New Zealand:	381
<i>The Massey Government's First Session—The Military Training Scheme—The Waibi Strike—Naval Policy</i>	

## No. 11. JUNE, 1913.

The Balkan War and the Balance of Power	page 395
Ministers and the Stock Exchange	425
The Grain Growers' Movement in Western Canada	457
The Ethics of Empire	484
United Kingdom:	502
<i>Political Apathy—The Discouragement of All Parties—The Want of Dramatic Antagonism</i>	
Canada:	514
<i>Obstruction in Parliament—The Closure and the Senate—Canadian Banking Legislation—The American Tariff</i>	
Australia:	529
<i>Imperial Matters—Federal Politics—The General Election and the Referenda</i>	
South Africa:	545
<i>The Crisis in the Nationalist Party—University Reform</i>	
New Zealand:	566
<i>The Labour Movement—Naval Defence</i>	



## “ DOWNING STREET ”

GEORGE DOWNING was probably the most thoroughly disliked of all the minor characters of his century. An Englishman by birth, a New Englishman by training, first but one of Harvard graduates, and launched mysteriously a few years later on an extremely versatile European career, he seems to have inspired as much distrust in his contemporaries as any second-rate being could well have done. Clergyman, soldier, politician, diplomatist, he was always indispensable, but invariably loathed. “Active, and a man of business,” says Pepys in his incisive way, “and values himself upon having of things do well under his hand”; but withal “a perfidious rogue.” The tale of invective against him is appalling. An American records that amongst his compatriots in New England it became proverbial “to say of a false man who betrayed his trust that he was an arrant George Downing.” A Frenchman describes him as “le plus grand querelleur des diplomates de son temps.” This is a sad consensus upon the record of a man who, by acquiring from Charles II a valuable building-site adjoining St James’s Park, gave his name to the inmost shrine of the power of the British Empire!

Yet Downing and his street have this in common, that few human characters or institutions have been more heartily abused by people who nevertheless put faith in them. “I would rather be governed,” wrote Godley, the first Superintendent of Canterbury, “by Nero on the spot than by a committee of archangels in Downing Street.” Testimony is indeed almost as strong against the unhappy street as against its



## “Downing Street”

namesake, the politician; for while its *raison d'être* has remained as strong as ever, its powers have become continually vaguer and more open to question in the public mind, until nowadays there is a widespread disposition to doubt whether in a large field of Imperial business these powers are necessary at all.

For what are the powers and duties of “Downing Street”? No phrase or name has figured quite so comprehensively in the politics of the British world, none is so loosely used; and the reason is not far to seek. In some respects the sphere of Downing Street is generally recognized and clearly defined; but in others it is vague and undefined. No one disputes its power to supervise the affairs of India or of the Crown Colonies and Protectorates. In those cases its wisdom may often be questioned, but not its right. Still less does any one deny its authority over the main relations of the Empire with foreign Governments. There are qualifications and provisos in this function which need to be discussed; but the broad fact that foreign relations as a whole are in the hands of Downing Street is nowhere seriously impugned. On the other side of the account there are fairly definite areas in British affairs to which the authority of Downing Street does not extend. It does not extend to the domestic affairs of the self-governing Dominions, so long as these do not affect the Governments either of other British Dominions, like India, or of foreign countries. Four great units of government under the British Crown are thus, within those limits, beyond its scope or care. No one either contends that they are not so, or regrets that they are. National self-government within the Empire is a fixed and immutable fact. It is the very foundation of Imperial unity, which could not survive without it for a year or a month or a day.

But when India, the Crown Colonies and Protectorates, and the main course of foreign policy have been definitely assigned to the sphere of Downing Street control, and the local affairs of the self-governing Dominions as definitely

## “ Downing Street ”

withdrawn from it, there remains a great deal of debatable ground. It is often ground of great importance; it has sometimes given rise to serious dispute. But though discussions have occurred which illustrate its nature from time to time, neither its importance nor its extent is generally understood; for this vaguer sphere lies almost entirely outside the ordinary experience and information of the great British democracies, whether in the Dominions or in the British Isles. “ Downing Street control ” is commonly regarded, both in Great Britain and in the Dominions, as a thing which has ceased to exist. If any action rouses the suspicion that it is being revived, such action is denounced as a reversal to the old Colonial stage, when the rights of national self-government were unasserted or undesired.

This popular view of the case is fairly just in nearly all the matters to which the popular purview in ordinary moments extends. But it ignores two things. It ignores, in the first place, the complexity of the Imperial system itself, built as it is of different kinds of responsibility, which cannot be entirely parcelled out between the different Governments; and it ignores, in the second, the constant interaction of domestic and foreign affairs. The responsibility of the Empire for the Dependencies may at any time be affected by local action in a single part; so may its responsibility to the outside world as a single sovereign State: for domestic matters are capable, in all sorts of unforeseen ways, of touching both the internal responsibilities of the Empire and its external relations with foreign Powers. When this occurs, Downing Street is of necessity involved. The Empire, moreover, is something more than the sum of all its parts; and Downing Street is the constitutional warden of that common life of the Empire, beyond the life of each of its parts, which is symbolized by the Crown and shown in all lands and seas by the Flag. This common life and purpose is realized as a sentiment by the British democracies; but ordinary knowledge amongst the millions, pre-occupied with their own surroundings and affairs, does not



## “ Downing Street ”

extend, and cannot be expected to extend, to all the necessities which the common life and purpose creates.

Thus the debatable ground between national and Imperial responsibility is largely unknown. It is assumed that the self-governing portions of the Empire can, and do in fact, co-exist beneath a single allegiance by the simple sense of fealty to the King and the Flag. It is supposed that national self-government pursues its way beneath this allegiance with a merely theoretic subordination to the central authority. It is not realized that over all the debatable ground which we have named there does in fact exist a process of supervision by the central authority; that it exists not merely as a constitutional theory, but as an actual and effective power; and that without it the Empire would dissolve within measurable time into independent parts. If the extent and character of this power are to be understood, it is necessary to trace the constitutional process through which it has arisen.

### I

**I**N granting self-government to the British Dominions Britain did not change her constitution. Conscious that the British Government could not rule great communities in America, Australasia, and Africa, conscious that a too close connection between the Government in London and those communities produced friction and heartburnings, Britain has agreed that they shall manage their own affairs. But she has never undertaken, and could not undertake, a clear division of functions, nor could she in theory explicitly divest herself of final responsibility in any sphere of government. The British North America Act is a constitution by which the relations of the Federal Government of Canada with the Provincial Governments are fully regulated and defined; but it is not a constitution by which the relations



## “Downing Street”

of that Federal Government with the Imperial Government are fully regulated or defined. There are certain provisions touching those relations, as for instance, those connected with the signification of the royal assent to Canadian legislation; but they are not constitutional arrangements, they are mere safeguards. They leave a sovereign power in suspension, ready to descend in case of need. Any constitutional powers vested in the English Government before the grant of self-government to the Dominions are in theory still vested in that Government to-day.

This sovereign power residing in the British Government, which constitutional development has not impaired, is exercised freely and without contention in certain ways. It is, for instance, agreed by the Dominions, as we have seen, that the main lines of foreign policy, and the every-day business of diplomacy, shall remain in the sole charge of Downing Street. It is also agreed that Downing Street, apart from its direct responsibility for the Dependencies, shall be the clearing-house of inter-Imperial relations—as, for instance, in the trade negotiations between Canada and the West Indies, when no one suggested that the West Indies should deal with Canada without reference to the central British authority. The Imperial functions thus exercised by the Government of the British Isles may seem easy enough to define; and no Dominion has ever yet contested their exercise in principle. But in practice they involve a power of intervention in all sorts of matters which democracies very properly regard as within the sole purview of their own national governments; and all through this undefined area the opportunities of dissension are immense. At moments the authority claimed by Downing Street figures prominently in the public mind; for long intervening periods it is forgotten. The contrast is purely fortuitous; for intervention depends upon the questions that arise from day to day; but unfortunately the contrast gives an air of caprice to the activities of the central power.

No fewer than six British Departments are concerned in

## “ Downing Street ”

these activities, and may be stirred to invoke in aid of their responsibilities the British Government's reserve of sovereign power. These are the Foreign Office, the Colonial Office, the India Office, the Admiralty, the War Office, and the Board of Trade. Apart from their normal functions, which need not be defined, each of these Departments is sometimes concerned in questions which touch the national self-governing rights of the Dominions. Such questions may arise either through some action of the Dominion Governments, which affects the inner common life of the Empire or its relations with foreign Powers, or else they may arise through action of the British Government, which touches the interests of one or all of the Dominions. In these cases the Colonial Office is invariably involved. In addition to its control over practically all the Dependencies except India (Egypt is still under the Foreign Office), the Colonial Office is the channel through which the British Government addresses the Dominions and the Dominions the British Government. It is also, of course, the Department from which the powers of national self-government were gradually wrung in the past. Both its historical associations and its present functions thus tend to make it the unhappy scapegoat on which all the sins of Downing Street are laid. Yet, in its present relations with the Dominions, it is in reality little more than a clearing house of information and correspondence. The initiative of intervention is much more likely to come from other departments. It came, for instance, from the Board of Trade in the case of the New Zealand Shipping Act, which will be dealt with later.

Between them the six Departments cover an immense field of official responsibility. Their activities range over the whole world; they interlace and overlap; and when the Dominion Governments are involved, the resulting correspondence must often, and of necessity, circulate through a terrible array of official files. Yet the work these Departments do is vital, not merely for the British people, but for



## “ Downing Street ”

the Empire as a State. If it were not done, the Empire would cease to be a State, because its internal economy would break down and it could no longer be dealt with as a single political entity by foreign Powers. The British Government does the work, not through any desire to maintain an insular ascendancy over other British Governments, but because it has always done it, because some one must do it, and because no other existing Government can. The final controlling and co-ordinating authority is the British Cabinet, which usually meets in the Prime Minister's residence in Downing Street or in the Foreign Office across the way. With the British Cabinet rests the final decision on Imperial questions which the Colonial Office has been unable to arrange by correspondence with the Dominion or Colonial Governments and the other executive departments in London. When necessary, in the last resort, it is for the British Cabinet to advise the King to withhold his consent from legislation enacted by Dominion or Colonial Governments.

The existence of Downing Street is thus no meaningless relic of a past order of things; it represents, with all its complications, the facts and necessities of to-day. It is a practical compromise; and the compromise grew up in the manner of all constitutional devices which have sprung from the practical English mind. Yet both parties to the compromise, the British Government on the one hand, the Dominion Governments on the other, have found themselves increasingly ill at ease. What is the vice which has caused this state of affairs? It lies not in the functions which are exercised, but in the nature of the body which exercises them. It is due, not to the methods of the British Government, but to the limited basis of its authority; for though it is in fact the sovereign Government of the Empire, it derives its mandate solely from the electorate of Great Britain, and is made or unmade very largely by the course of domestic British affairs. It is a fundamental instinct in self-governing peoples to demand



## “ Downing Street ”

that action vital to their national interests shall take its authority and its character from the national will. Yet here is a Government inevitably committed to such action, inevitably compelled to deal with the vital interests of five self-governing peoples, inevitably reduced in the process to occasional intervention even in their domestic affairs, but responsible in a constitutional sense to only one of those five peoples, the democracy of the British Isles. Misunderstanding is the certain outcome of such an arrangement; the only wonder is that, on the whole, it has been so small. For the Government exercising this difficult responsibility is the same Government from which the Dominions have gradually won control of their own affairs. The process had given rise in the past to many controversies, and the shadow of these controversies remained upon the changed and changing relationship, so that the British Government was suspect from the outset of a desire to minimize the powers of self-government which it had signed away. Not only has it always been conscious of this suspicion, which is natural and hard to allay, but also it has realized with increasing force the weakness of its own position; for it is dealing with the interests of distant and unrepresented communities, which have relied on it without trusting it, and have disliked at all times the sound of its voice.

The trouble then is, not that Downing Street is unnecessary and yet continues to exist, but that it is inadequately qualified for its functions, which have nevertheless to be discharged.

## II

EXAMPLES of its difficulties may be taken from the experience of every one of the six Departments which we have named; but the most important will be found to spring, in some respect or other, from the relations of the

## “ Downing Street ”

Empire to foreign Powers. The Colonial Office, as the clearing-house of inter-Imperial relations, has always been supposed to have the vice of Downing Street in an acute and desperate degree; but so far as the self-governing Dominions are concerned, the ways of the Colonial Office are rather a symptom of the malady which we have diagnosed than the malady itself. It is to the working of the Foreign Office that we must direct ourselves in order to grasp the essential difficulties with which Downing Street contends. For a long time the Foreign Office, in spite of occasional outbursts of popular indignation in the distant communities, enjoyed an undivided and largely unquestioned power. But its power is being questioned more and more; its functions are being delegated in various important ways; and it is travelling fast towards a point where further division of responsibility will make the unity of Imperial relations with foreign Governments wellnigh impossible to maintain.

The difficulty has already been felt in Canada in all the recent discussion of provision for Imperial defence. Is there, or is there not, an “ emergency ”? If there is, in what does it consist, and is Canada really concerned? These questions have run like wildfire throughout the arguments on Mr Borden’s Naval Aid Bill. Upon the answer to them depends the action which Canada is to take, and they can only be answered upon the *ipse dixit* of a distant Government, with no responsibility to the Canadian electorate. A navy estimate means nothing except in the light of foreign relations. A nation will have no proper interest in defence unless and until it understands and endorses the aims of the department in control of its foreign affairs. What is the present power of Canada over her relations with foreign Powers?

It has already been pointed out that, as in the present organization of the Empire, there is no clear line drawn between the functions of the Imperial Government and the Governments of the Dominions, so there is no explicit reservation to the former of the right to conduct the foreign



## “Downing Street”

relations of the Empire. That right is simply exercised because it has never been delegated. Constitutionally, it is safeguarded by the provision which reserves for the signification of the Royal pleasure all laws enacted by the Dominions which may appear inconsistent with Imperial treaty obligations, while in practice the Imperial Government alone has the right to issue instructions to the representatives of the Crown abroad. It is not clear, however, how far the rights and duties of the Dominion Governments extend under such constitutional provisions as Section 132 of the British North America Act: “The Parliament and Government of Canada shall have all the powers necessary and proper for performing the obligations of Canada or any Province thereof as part of the British Empire towards foreign countries arising under treaties between the Empire and such foreign countries.” This point was brought up in the debates in the Canadian Parliament in 1911 on the International Waters Treaty, when the question was raised whether that Parliament was or was not exceeding its functions in passing an Act ratifying the treaty in the absence of any clause in the treaty providing for such ratification.

Taking all such possible ambiguities into consideration, an outside observer, Professor Lowell, sums up the indeterminate position of the Empire as regards foreign relations in the following terms:

The actual relation of the United Kingdom to her self-governing colonies may not be easy to classify in the terms ordinarily used by publicists. But whether those colonies are dependencies or members of a confederation, whether sovereignty is really lodged in Parliament or divided, there is no doubt that as regards foreign nations the British Empire is treated as a single Power, and that Power is England. Diplomats are appointed, negotiations are conducted, and treaties are made on the advice of the English Ministers. In order, however, to satisfy local opinion it is the habit, when a really important question arises—between Canada and the United States, for example—to appoint a commission containing colonial members. But the situation is not wholly comfortable, and in fact the position of Canada is a little like that of a boy at school with a big brother.



## “ Downing Street ”

The state of the self-governing colonies in regard to foreign relations would no doubt be a much more difficult one, and give rise to no little friction, were it not that their remoteness saves them to a great extent from complications with other countries.

This is a fair statement of the present position, but it obviously describes a period of transition. The “ remoteness ” of the British Dominions from world politics has never been complete and is to-day to a large extent a thing of the past. So far as they have been brought into touch with foreign countries, they have never been wholly satisfied with the manner in which their relations with those countries have been conducted. It is needless to enlarge upon the dissatisfaction felt in the past by both Canada and Australasia with certain aspects of Imperial policy; it is well known that the relations of Great Britain with the United States and with those European Powers whose recent expansion has brought them into the Australasian sphere, have from time to time been subjected to severe criticism by Dominion statesmen who feel that their interests have been compromised by the complaisance or inaction of the Imperial Government. Whatever, moreover, may have been the case in the past, it is obvious to-day that the British Dominions and Colonies no longer believe that their connection with international questions is so slight that such questions can safely be left in the sole charge of the Cabinet in London. Canada awoke to this feeling much sooner than the other Dominions, by reason of her long and close connection with the United States. As long ago as 1889 a resolution was brought forward in the Canadian House of Commons in favour of giving the Dominions the right of negotiating and concluding treaties, and in 1900 a Canadian writer drew from a study of the relations between Great Britain and the United States the conclusion that “ in all diplomatic negotiations and treaty adjustments with the Government of the United States, Canada . . . should have an advisory,

## “Downing Street”

and, in matters affecting Canadian interests, a controlling diplomatic influence.”

But if the interest of the other Dominions in foreign policy has been of more recent growth than that of Canada, it is now perhaps keener and more urgent. In 1911, at the time of the Morocco crisis, telegrams from Paris and Berlin reporting the intended cession of Tahiti by France to Germany roused the New Zealand Press to such comments as the following: “The proposal shifts the storm centre to our very doors. The planting of another strong German colony in the Pacific, with the added advantage of a suitable naval rendezvous, is fraught with grave issues for New Zealand, for Australia and even for South America and the United States.” And an Australian paper was moved to “condemn British apathy in the Pacific in the past, and urge that the Commissioner for Australia resident in London be instructed to protest to the Imperial Government against such a cession.” To add one more significant instance of the imperceptible advance of the Dominions into the field of foreign policy, a question was asked in the Canadian House of Commons on December 2, 1909, as to whether the Government proposed to take any steps to change the status of foreign consuls in Ottawa. In reply Sir Wilfrid Laurier said that the question was one which needed to be settled, for “we have no diplomatic service in Canada, and the Consuls-General are exercising some, I shall not say diplomatic powers, but powers often cognate with such.” Though nothing has been done towards a settlement, the same anomalous position, if reports be true, is being felt in other Dominions.

### III

TO meet the increasing interest thus taken by the Dominions and Colonies in foreign policy, there has of late been a tendency to develop the Imperial machinery in at least three ways—first, by semi-independent action



## “ Downing Street ”

on the part of the Dominion Governments; second, by providing that those Governments shall be consulted on questions of foreign policy affecting them; and third, by placing at the disposal of the Dominion Governments the services of the Imperial diplomatic and consular officers.

With regard to the first point, Canada has taken semi-independent action in the negotiation of commercial treaties and in the regulation of oriental immigration. At the time of the negotiation of the commercial treaty between Canada and France considerable misgivings were expressed by some Canadians as to the dangers of such a course. Apart, however, from the question how far such a policy should be carried, it must be remembered that all steps taken by Canada in this way have had the sanction of the Imperial Government, and that, such sanction having been given, the action of Canada differs in kind hardly at all from that taken from time to time by Crown Colonies, under authority from the Imperial Government, in matters solely affecting themselves. A more important point is the recent establishment by treaty between the United States and Great Britain of machinery for the semi-independent settlement of questions between the United States and Canada relating to Boundary Waters. The International Joint Commission constituted under the treaty of 1909 is composed of three members from each country, and has, in addition to its ordinary functions, power to act as a Court for the settlement of any question which the two Governments may decide to submit to it. The experiment is an interesting one, but, technically at least, it does not constitute a departure from the existing system of Imperial relations, since the Canadian Commissioners act as appointees of the Imperial Government, and a special agreement between the Imperial Government and the Government of the United States would be necessary for the submission to the Commission of any question outside its ordinary sphere. In the commercial sphere, the Dominions, especially Canada, have appointed their own Trade Commissioners in various parts of the world;



## “ Downing Street ”

but so far as can be seen, these Commissioners have in no way trenched on the sphere of policy, and have confined their activities to the furthering of trade.

As regards the second point, the future historian will possibly quote the resolutions passed by the Imperial Conference of 1911, as indicating the moment at which the Dominions were first recognized as being entitled to a voice in foreign policy. These resolutions, which arose out of the discussion at the Conference of the Declaration of London, stipulated that “the Dominions shall be afforded an opportunity for consultation when framing the instructions to be given to British delegates at future meetings of the Hague Conference, and that conventions affecting the Dominions, provisionally assented to at that Conference, shall be circulated among the Dominion Governments for their consideration before any such convention is signed,” and that “a similar procedure, where time and opportunity and the subject-matter permit, shall as far as possible be used when preparing instructions for the negotiation of other international agreements affecting the Dominions.”

But though these somewhat cautiously worded resolutions represent to a certain extent an advance and are at any rate a formal expression of policy, yet the policy they express is an old one and has, indeed, always been a necessity. In the general arbitration treaty between Great Britain and the United States, signed in 1908, Great Britain expressly reserved the right to consult the Dominions upon any question affecting them, before finally concluding a special agreement for its submission to arbitration. Already, in 1897, Great Britain had denounced her commercial treaties with Germany and Belgium at the request of the Dominion Governments, expressed at the Colonial Conference of that year. In the case of treaties requiring legislation, including commercial treaties, consultation with the Dominions is a matter of course; and such treaties are commonly signed for Great Britain only with a proviso granting to the Domi-

## “ Downing Street ”

nions, and where necessary to Crown Colonies and Protectorates, the right of accession, which right carries with it in many cases, if not in all, a corresponding right of subsequent withdrawal—a right not infrequently exercised by the Dominions. This right was explicitly recognized by the Conference of 1911, for Great Britain then undertook to open negotiations with those countries with whom she had “ most favoured nation ” treaties of old date, with a view to securing to the Dominions the same right of separate withdrawal from such treaties as they now enjoy in the case of more recent treaties.

In other matters also less directly affecting the Dominions the Government in London has always recognized the necessity of obtaining the sanction of a Dominion Government before taking any steps which might involve that Government, though, as will be mentioned later, it has too often failed through ignorance to realize the interest of a Dominion in certain questions with which it has had to deal. In connexion with this point it may be observed that Mr Borden stated in the Canadian House of Commons, in the spring of 1911, that in his opinion there should be inserted in every treaty belonging to one of the following classes an article making its provisions subject to the consent of the Parliament of any Dominion interested—namely, all treaties imposing any burden on the people, those involving a change in the law of the land, those requiring legislative action to make them effective or which affect the free exercise of the legislative power, and those affecting territorial rights. It may safely be said, however, that though no stipulation for parliamentary ratification has been inserted in such treaties in the past, they have not been, and certainly never will be, concluded without either the consent of the Dominion Government concerned or, as already stated, a proviso leaving open to such Government the right of separate accession.

As to the third point, hardly any definite step has been taken to put the Dominions in touch with the foreign



## “ Downing Street ”

services of the Crown. Those services—diplomatic and consular—have always been at the disposal of the Dominion and Colonial Governments, but theoretically the system still prevails by which communications between such Governments and the foreign representatives of the Crown pass tortuously through the Colonial and Foreign Offices and often also through the Dominion High Commissioners in London. In the autumn of 1912 notices appeared in the Press to the effect that the Canadian Minister of Trade and Commerce had arranged with the Imperial Government that the services of the Imperial consular officers should be placed generally at the disposal of Canada. But all such “arrangements” only confirm existing custom. In cases where Dominion or Colonial Governments, or the merchants and other private persons residing and doing business in their territories, have business or interests which put them in frequent touch with a foreign country or with the commercial firms in such a country, those Governments, or persons, have always, and will always, enter into direct communication with the Imperial diplomatic and consular officers in that country, and the mysterious alchemy by which the requests of a Dominion Government are transmuted in the laboratory of the Foreign Office into “instructions” has been, and will be, discarded. The standing, and, up-to-date, perhaps the only important, example of this development is the Embassy at Washington, where Mr Bryce has stated that at least two-thirds of the business transacted is transacted on behalf of Canada, and where in fact, though not in name, as may be seen from published correspondence, the Imperial representative receives concurrent instructions from the Secretary of State for Foreign Affairs, the Governor-General of Canada, and the Governor of Newfoundland. In that quarter the Canadian Government already exercises in a considerable degree the “controlling diplomatic influence” advocated by the Canadian writer quoted on page 596.

Another announcement of a so-called “arrangement”



## “ Downing Street ”

for putting the machinery of the Foreign Office at the service of the Dominions requires a word of comment. On May 8, 1913, the Secretary of State for the Colonies stated in Parliament that “ the British Consular Service was now placed at the disposal of the Dominions, and Canada, Australia and South Africa had already availed themselves of that arrangement.” If this means that the Imperial Government has advertised the advantages which might accrue to the Dominions from a more frequent use of the services of Consuls, that Government has taken a most valuable step. But if it means that the Consular Service has only recently become an Imperial service, it surely shows a misconception of what the work of the Consular Service has always been. However little British Consuls may have been used by Government departments or private merchants in the Dominions, the Dominions have always accepted and counted upon their service as a matter of course in many thankless tasks; it would, for instance, probably be interesting to discover how much of the business transacted by the shipping office in the British Consulate-General at Boston is concerned with Canadian shipping, or how many times the assistance of the Consul-General at that port has been invoked on behalf of French Canadians in the mills of Massachusetts.

### IV

THESE tentative developments, as usual in the British world, have proceeded from occasion as it came, and not from any attempt to think the future out. They are significant as showing a consciousness of new necessities for which the present system is unfitted to provide. But, discuss them as we may, we do not touch the fundamental problem raised by the relation of the Dominions to foreign policy by arguing whether they shall maintain their own

## “Downing Street”

representatives at foreign capitals; whether diplomatic agents from foreign Governments shall be accredited to them; or whether they shall have a right of independent negotiation, be it through British agents or their own. Arguments of this kind belong to the same category as those much used in Germany in 1848, when, according to Bismarck, “one of the widest spaces” in discussion regarding German unity was “occupied by the question as to the German Princes’ right of embassy beside that of the German Empire.” At that time Bismarck pointed out that the right of embassy was comparatively unimportant; that representation abroad and independent negotiation with foreign countries were indices of power, not sources of power; that if the princes had little power within the Union, their representatives could have little influence abroad; that if the princes did possess such power, a corresponding influence abroad was inevitable; and that, if no authorized channel was open to it, it would find an unauthorized one, since “there was no means of preventing princes’ correspondents or any sort of more or less distinguished private people, down to the category of international dentists, from being the intermediaries of political negotiation.” The position of the British Empire in this respect is precisely the same.

Questions of method, of the uses to which we put our present machinery, or of the uses to which it may be put by a wise process of development, all lead back to the same point—the ultimate seat of responsibility. For where the ultimate liability is, there will be the ultimate power. “Who holds the proxies?” is the fundamental question of all business organization; and the principle is equally true of political organization, though the diversity and complexity of affairs in the Imperial system obscures and covers it up. “No one,” said the Premier of British Columbia the other day (if the cables did not misreport him)—“no one can question the supreme authority of the Legislature of British Columbia to deal with oriental immigration.”



## “Downing Street”

But what if the Japanese Government do question it? Shall the “supreme authority” then manifest itself in a British Columbian ambassador, or will it borrow the robes of Downing Street? And if the Japanese Government still question it, whose is the ultimate liability then?

We need not wonder that the constant pressure of this simple question, its insistent presence in detail after detail of the Empire’s daily life, is not widely understood. There is a human tendency in every one to believe that institutions which they have always known proceed of their own momentum, without guidance or control. The organization of a railway, from the engine-driver to the chairman, is seldom in the minds of those who catch their daily trains. It is the same with the organization of the Empire: we live in our corner of it, and wonder little how the whole system exists. Its worldwide activities come home to us, if at all, through the medium of the Press; and the cast of our newspapers is usually the cast of our own minds. It is a strange and momentous power which democracy has thus created in its instrument, the Press. The newspapers of every country are like a *camera obscura*, through which peoples see the world in their own image. They are made by, and they make, the national mind. Through this ubiquitous medium, modelled on themselves, which colours, interprets and selects, the democracies of the Empire catch but fragmentary glimpses of the working of the Empire and of the vast scene in which it works.

Naturally they weigh its methods and necessities in most imperfect scales. The Dominions have in general a very poor opinion of the 40 or 50 Foreign Office clerks, the 120 diplomats, and the 130 Consular officers in the regular salaried service who, appointed under a system of nomination and subsequent examination, are supposed to conduct the foreign relations of the Empire, both political and commercial, under the direction of the Secretary of State. But it is often forgotten that Englishmen are no better satisfied. The Foreign Office and Diplomatic Service have



## “ Downing Street ”

often been denounced of late in England, especially during times of European crisis, as an oligarchy of chess players, disposing of the lives of men according to the rules of a game devised in days when policy and war were conducted by kings and courts. If such criticism is heard even in England, it is naturally more frequent over sea. The comparative isolation of the distant Dominions, like that of the United States, has given an air of unreal simplicity to the conduct of relations with foreign Governments. It is assumed that foreign affairs fall into two categories—on the one hand, a game of beggar-my-neighbour between unscrupulous diplomats and potentates, on the other, a practical discussion of business relations between clean-hearted and clean-handed democrats. The former category is assigned to the bat-ridden twilight of Europe, the latter to the clear and open skies of the new world. There is something in this view, for every system creates its own abuses, and diplomats are not the only human beings whose methods sometimes make difficulties where none exist. The language of diplomacy, with its ceremonial phrases, its gilding of unpalatable facts, its shades of meaning and its delicate formulæ, gives to its business an air of artificiality, which supports the plain man's opinion that its exponents are playing for their own distraction a game as formal as chess. Yet this business in reality resembles chess only because the movement of every piece reacts on the whole board, and no corner is exempt from the play of forces even on the most distant squares. For international relations, indeed, the truer simile would be a tangled garden where life is constantly threatening, or being threatened by, new life, sometimes in violent collision, but much more often through the slow process of growth and decay. Diplomats do not set these processes to work. They are only the gardeners, who seek to understand them and to use them for ordered ends.

Because of its great complexity, this business of diplomacy has developed during centuries its own highly specialized

## “ Downing Street ”

technique. Negotiation between great nations, whether they swear by parliaments or oligarchies or presidents or kings, must ultimately rest with a few human beings in a four-walled room. But the atmosphere of the room depends at every moment upon the temper of the world outside. Thus the manner in which facts or views are presented matters only a little less than the facts or views themselves. Every human society develops conventions for its comfort and convenience, and the society of nations has done the same. The “ search for a formula ” which will not hurt some Power’s feelings may seem an artificial proceeding; but in reality it is no more artificial or unnecessary than the convention which prevents Mr. Smith from declining Mrs. Jones’s invitation to dinner with the truthful intimation that he does not want to come. These conventions matter greatly in ordinary things. They might amuse a Fiji islander, but reflection would show him that he had conventions of his own. And if they matter between Mr Smith and Mrs Jones, still more do they matter between Great Powers, when the interests and lives of millions may hang upon the use of words.

The same complexity is always making for methods that seem roundabout and slow. It is hard for isolated communities to realize that particular questions with foreign Powers can seldom be solved without reference to foreign relations as a whole. Yet this difficulty is a constant check upon the division of Downing Street’s “ debatable land ” into separate spheres of responsibility for each Dominion Government. Even where a given question of foreign policy affects a Dominion or a Colony alone, and may be solved with exclusive reference to the interests of that Dominion or Colony, the foreign country with which such a question arises has no such exclusive relation to the Dominion or Colony concerned; so that the particular question reacts on, and must be merged in, the general relations of that foreign country with the whole Empire-State.

It is true indeed that the Dominions, and even the



## “ Downing Street ”

Colonies, have certain special interests which can be dealt with by separate negotiation. They are situated in different hemispheres; their economic conditions and policies are necessarily divergent; each has a hundred preoccupations of which the others know little or nothing. If any proof of this were needed, some index of it would be found in the number of commercial and other treaties to which the Dominions are not parties, and under which Great Britain enjoys privileges and undertakes obligations in which the Dominions have no share. Canada has not acceded to the treaty between Great Britain and the United States of 1899, granting reciprocal rights with regard to the disposition of real property; the state of Canadian law makes it impossible for her to accede to the international convention for the protection of industrial property, and so on. In these matters it is open to argument whether the Dominions can best serve their separate interests by the separate appointment of their own agents and the separate reception of foreign agents, or by the separate utilization of the Imperial agents already existing.

But though the actual negotiations be separate, they cannot in reality leave the Empire out of account. The British negotiators, whichever British Government they are appointed by, Imperial or Dominion or Colonial, will still be servants of the British Crown. The ultimate responsibility of the Empire as a whole will thus be in the background, a subconscious element in the psychology of the foreign no less than the British side, and may at any moment become a governing consideration. Foreign nations regard the Empire as one, and they visit what they regard as the sins of one part upon the whole system. England cannot wash her hands of Canada if she would; friction between Australia and a European country arising out of annexations in the Southern Pacific must entail friction between that country and every other section of the Empire. Moreover, human foresight is limited, especially in the domain of foreign policy; it is wellnigh impossible to predict when a minor question may involve the whole



## “ Downing Street ”

fabric of our relations with one or several foreign Governments.

Professor Lowell in his work on “The Government of England” has pointed out that in the Foreign Office “the permanent officials play a smaller part in the management of affairs than in most branches of the public service,” because there is comparatively little work which “can be conducted by subordinates without consulting the political chief.” This is one sign of the great difficulty of establishing a division of control in foreign policy. The complication of questions, the reaction of small matters upon large issues, and the hingeing of large matters upon matters apparently trivial, make unity and flexibility of control a vital necessity. Every one who has watched foreign relations knows how often the cloud, no bigger than a man’s hand on the horizon, suddenly appears to overcast a whole quarter of the political firmament. For instance, a comparison between the files of certain newspapers in England at the beginning and at the end of 1912 would show how the question of the exemption from tolls of American coastwise vessels passing through the Panama Canal, which in January of that year was either ignored by public opinion or was generally regarded as a minor commercial question demanding eventual consideration and adjustment, had come to be regarded in December as a grave international issue involving our good relations with the United States Government and our respect for the American people.

In dealing with such questions, every day of uncertainty and deliberation, entailed by a conflict of control, is an incalculable loss to the efficiency of policy. In any division of spheres between the foreign policy of the whole Empire and of its parts, full provision would have to be made for the immediate transfer of any question from one sphere to the other, so soon as it changed its status (as such questions may do in the course of a week) from one affecting a part of the Empire to one affecting the foreign relations of the Empire as a whole. It may well be doubted whether adequate provision could possibly be made for this necessity.

## “ Downing Street ”

### V

TWO examples from the recent history of the Empire will illustrate and summarize the argument. Among Imperial dealings with the Pacific islands none has raised more feeling in Australia than those regarding the New Hebrides. For thirty years or so Australia has wanted the New Hebrides, and for twenty years—that is, until ten years ago—she expressed her views in vain to the Imperial Government. Other questions were more urgent; the New Hebrides were but a small affair; and at no time nowadays does Downing Street add willingly to the responsibilities which it already bears. Nearly ten years ago, in 1904, a Convention was negotiated with France; but it ignored some minor matters, including the New Hebrides, in which France had a claim. In 1906, after imperfect consultation with Australia (for Governments changed both in Australia and Great Britain during the course of the negotiations), a *condominium* of Great Britain and France in the New Hebrides was agreed to, which Australia has never approved. There are constant suggestions now for compensating France and acquiring complete possession.

The merits of the question do not matter here. The point is that to Australia the New Hebrides stand by themselves, whereas to Downing Street they represent a very minor consideration in the sum of British relations with France. Those relations have been for the last ten years the strongest guarantee of European peace, and many minor inconveniences have been suffered for their sake—including some of much more urgent moment to the Empire as a whole than the failure of the *condominium* in the New Hebrides. Could any new delimitation of spheres between the British and Australian Governments, or any provision for separate negotiation between Australia and France, have altered the connexion between this isolated Australian



## “ Downing Street ”

question and the whole scheme of foreign affairs? A declaration of independence on the part of Australia would certainly have altered it, and she would then have negotiated with her own strength alone; but if her supreme interest is inseparable from the security of the Imperial system, then in her own interest and in the general one her policy must necessarily have conformed to Imperial policy as a whole.

Another example will suffice to show that even domestic legislation may touch Imperial relations, not merely with one foreign country, but with all. Shortly before the Imperial Conference of 1911 New Zealand passed a Shipping Act, the object of which was to bring all ships trading with New Zealand ports under the same labour regulations as ships engaged in the coastal trade. These regulations govern, not only rates of pay (which could be altered in foreign ships on reaching New Zealand waters), but accommodation for officers and crew, load-line, coal capacity, manning scales, and other things involving structural change. The effect of the Act would therefore have been to exclude all ocean-going ships not expressly designed for the New Zealand trade. The Act was reserved for the Royal assent, and Sir Joseph Ward brought the question up at the Imperial Conference. The following is the main passage from Mr Buxton's reply on behalf of the Board of Trade:

No foreign country attempts to enforce her own rates of wages or manning scales or crew space, etc., on the vessels of another country trading to her ports from abroad; nor does the Imperial Government interfere with the arrangements on board of a foreign ship while in a port of the United Kingdom except in matters relating directly to safety, such as cases of overloading, and insufficient life-saving appliances, etc.

Those who live in the stress of international competition are convinced that it is not possible effectively to impose on foreign ships regulations affecting their domestic economy. The Dominions appear to think that they can impose these conditions on foreign ships as well as British. What will be the effect of their action? If they attempt and fail—a preference will be given to foreign shipping. If they attempt and succeed—retaliation will ensue. The Germans, for instance,



## “ Downing Street ”

would not tamely submit to the imposition of such conditions on their ships. These foreign countries will say—and what would be the answer? “ You have allowed your Dominions to impose regulations in order chiefly to prevent undue competition with the local industries. We will do the same. You unduly compete in our ports to the disadvantage of our shipping. In future you must be subject to certain regulations and accommodation which will reduce your competition with us.” What would be the result? The whole force and brunt of the retaliation would fall on United Kingdom shipping. The Dominions would suffer not at all or very slightly. The entrances and clearances of foreign vessels at Australian and New Zealand ports in 1908, for instance, amounted to nearly 2,500,000 tons, and of this New Zealand only accounted for about 100,000 tons. The entrances and clearances of British ships in trade between the United Kingdom and Protectionist foreign countries alone amounted in the same year to no less than 134 million tons.

Sir Joseph Ward: Where does that apply to?

Mr Buxton: That is the United Kingdom trade with the Protectionist foreign countries alone—134,000,000 tons (the total trade is very much greater than that)—whereas in the case of Australia and New Zealand the foreign clearances and entrances are 2,500,000 tons.\*

It hardly needs to point the moral. But for the intervention of Downing Street, a local law in New Zealand might have led to the penalization of 134 million tons of British shipping in foreign ports, even though British shipping suffered itself as much as foreign shipping under the local law. The disastrous effect of unregulated local powers upon Imperial relations and interests as a whole could not be better illustrated, considering the vast importance to the Empire of maintaining its present hold upon the carrying-trade of the world.

Thus Downing Street represents the minimum of central organization required to reconcile national self-government within the Empire with common Imperial interests, a common British relation to foreign countries, and common allegiance to a single Sovereign. Its prevailing aim is to keep that minimum the lowest minimum which facts will permit. But because its power is vague, and because it is the organ

\* Minutes of the Proceedings of the Imperial Conference, 1907, pp. 414-5.

## “ Downing Street ”

of one insular Government, Imperial in function but local in origin, responsible in a sense for all the self-governing communities, but elected by only one, it distrusts itself and is the constant object of distrust. On the one side there is a chronic unrest which springs from consciousness of a certain Imperial tutelage and from impatience of the methods by which it is maintained. On the other is an organization which does try to live up to its modest functions as a central laboratory, but which, because inadequately representative, is sometimes weak or dilatory and sometimes inconsiderate. Doubt, delay, deliberation, misunderstanding, explanation, cross purposes—these are the milestones which mark the path of official correspondence when power and knowledge are lacking. And the path leads always to much the same end—the shirking of issues, the tiding over of difficulties, the smothering of proposals in office files, and the final exasperation of all parties concerned.

The natural movement of opinion, as all these tendencies accumulate, is toward reform and change. The Governments of the Dominions, because they exercise the same control over the domestic affairs of their own peoples as the British Government exercises in the British Isles, have come to be regarded as co-ordinate, and no longer as subordinate, powers. “ For the Dominions, complete self-government; but with the British Government responsibility for the Dependencies and for foreign affairs ”—is a political formula constantly heard. And certain broad conclusions are often associated with it. “ Downing Street,” these conclusions run, “ is not only ignorant and inept; it is also unnecessary. It is time that this constitutional anomaly were removed. The Dominions are independent in practice, and theory should now be made to conform to that practice. The British Empire is in fact an alliance of five nations—an alliance resting on an implied contract of co-operation. The implied contract is all that is required.” There must be very few people, among those who study the Imperial problem, who do not feel a strong and natural sympathy



## “ Downing Street ”

with the spirit of this argument. It is in keeping with the character of British democracy everywhere; it represents a way of thought which is the secret of British strength.

Yet, for all the rightness of its spirit, the argument is only partly sound. It is sound in so far as it asserts that an anomaly exists; but it mistakes the nature of the anomaly, and suggests a remedy which would leave the anomaly untouched. For how, if the change were made, would the Empire solve such problems as that just instanced in the New Zealand Shipping Act? Difficulties of that kind have been seen to be implicit in any action, however local in character, which may touch a foreign Government; and for that reason the existence of some co-ordinating authority has been seen to be necessary. Could it be provided for in any better way by the collaboration of five sovereign Governments? Collaboration is often inefficient under the present system because the co-ordinating authority is ignorant. This ignorance is not a mysterious atmosphere hanging over a particular street in London; it is the permanent condition of mind of the English machine of government as regards the Dominions, and of the Dominion machines of government as regards each other and the United Kingdom. We might abolish Downing Street, but we could not abolish the ignorance which sometimes makes Downing Street odious. We could provide that England should no longer be in theory the constitutional centre of an Empire, but we could not for some time to come prevent her from being in practice the predominating partner in an alliance. Would English ignorance be less disastrous in the second case than in the first?

Indeed, might it not, on the contrary, be still more disastrous? The argument has shewn that Downing Street is at present most unpopular just where its constitutional position is vaguest—that its unpopularity is due to the exercise not of defined powers but of undefined influence. As soon as the cabinets of the five nations were placed on an equal footing, all defined powers of one over the other would vanish, and collaboration



## “Downing Street”

would have to depend entirely on undefined influence. Foreign relations might remain in the hands of the British Government; but how would it deal any better than now with the special interest or the special grievance of a Dominion Government in regard to some foreign Power? And how would it act if the domestic legislation of a Dominion Government in some way strained Imperial relations with a foreign Power? Would the final decision in the matter, since its origin was local, rest with the Dominion Government, or would it rest with the British Government as carrying the general responsibility for foreign policy and defence? The existing methods of the Empire show that the five Governments may conduct separate negotiations up to a certain point; but they do so without mutual damage only because an organization exists in the background to systematize all separate negotiations and keep them within a limit which respects the common interest of the whole. That organization is Downing Street.

Thus, when every conceivable arrangement has been devised to meet the case of separate interests requiring separate agents or separate powers of negotiation, the fundamental necessity of Downing Street or of some more representative substitute will remain untouched. That is the cardinal fact which constitutional discussions of status, as between different British Governments, and practical discussions of mechanism, as between the merits of British Consuls or Dominion Trade Commissioners, tend constantly to obscure. Is the British Empire to remain a single State in its dealings with foreign Powers? If we wish it to do so, we must have one system of foreign relations, not five; and we must have an organ, whether Downing Street or something more adequate, to embody that wish and make it practicable. If Downing Street be inefficient or intolerable, the only remedy is to find something better in its place, for we cannot abolish it altogether without abolishing ourselves. We cannot, that is, suspend all central control and yet remain the lieges of one Sovereign, flying before all nations the common symbol of one Flag.

## THE ARYA SAMÁJ

**A**MONG the mass of curious statistics contained in the reports of the 1911 census there is probably nothing more significant of the changes that are occurring in India than the wonderful increase which the last decade has seen not only in the number of Christians but also in the ranks of that most anti-Christian of Hindu reforming sects, the Arya Samáj. While, however, the results of missionary enterprise are certain to be presented to a wide public, the even greater significance of the progress of Aryism is in danger of being overlooked and possibly of being misunderstood. Either contingency would be regrettable; for not only is the Samáj by far the most interesting as well as the most successful of modern attempts to reform the Hindu religious and social system from the inside, but by reason of the vigour of its attack, the manifold nature of its activities and the perfection of its organization it demands the serious notice of all who are interested in studying the trend of affairs in the India of to-day. An examination of its aims and methods, moreover, besides giving the student some view of the modern spirit in its larger outlines, is calculated to act as a useful corrective to the vague generalisations so frequently offered to him and to save him from hazy conceptions by focussing his attention on a particular and typical manifestation of the forces at work in a comparatively limited area.

That the Arya Samáj is a notable manifestation of these forces is undeniable. Though it is barely thirty years since its founder died, and though its activities are practically confined to two provinces only—the United Provinces and



## The Arya Samáj

the Punjab—its members to-day number close on a quarter of a million. It was first recorded as a separate sect in the census of 1891 and in the United Provinces, where complete figures are available, the expansion is shown to have been from 22,053 to 65,282, and finally in 1911 to 131,154. The Samáj is thus more than doubling its numbers every ten years—no bad record for a militant reforming body—and so far from showing signs of flagging in its energies or failing in its appeal, it appears to be acquiring strength as it advances; while it is especially noteworthy that it is found to be recruiting almost entirely from the educated classes and the higher castes. Its organization has been officially described as “the most complete thing of its kind in India,” and received its finishing touch in 1910 when a central all-India council was constituted to co-ordinate and direct the labours of the provincial controlling bodies. This council, the Sárbadeshik Arya Prátinidhi Sabha, which meets in Delhi and of which Mahátma Munshi Rám, Governor of the Kángri Gurukul, is the President, is composed of delegates from each of the provincial controlling committees (*prátinidhi sabhas*) of the Punjab, the United Provinces, the Central Provinces, Bombay, Rajputana, Bengal and Bihar. Each provincial committee is composed in its turn of delegates from local branches, and these local branches are increased in number as fast as missionary enterprise can extend them. The number of branches in the United Provinces in 1911 was given as 260, and more recent information speaks of noticeable increases in the last two or three years in the villages as well as in the towns. Funds are raised by subscription, each member being supposed to contribute a hundredth part of his income to the local branch to which he belongs, which sends one-tenth of its receipts to the provincial committee. Large sums are also collected on special occasions for particular objects, as, for example, on each anniversary of the Kángri seminary, when as much as Rs 75,000 have been received besides gifts of property. The Samáj's activities are exercised through



## The Arya Samáj

missionaries (*updesbaks*) and educational institutions. Of the former scores are at work in each of the provinces where the Samáj is most active. Their labours, although they embrace matters of religion, are specially traceable in the sphere of social reform, and their appeal, though mainly directed to the educated and English-speaking portion of the community, is now being addressed also to the depressed classes, to whom is being held out the hope of inclusion in the ranks of Hinduism. The Paropkárini Sabha in Ajmer, constituted by the will of the founder of the movement and endowed with his wealth, devotes its energies under the control of trustees to the publications from the press, which it maintains, of editions of the Vedas and of commentaries on them. In other provinces the society is united: in the Punjab alone there two parties, the provincial *sabha* being distinct from the Dayanand Anglo-Vedic College party—the original body, from which it split on a disagreement regarding educational ideals and vegetarianism.

### I

TO understand the circumstances in which a reform movement has attained so considerable a position as that reached by the Arya Samáj it is necessary to go back a generation or two in the history of India, for although its founder was an extraordinary man, he owed much to the remarkable epoch in which he lived, and individual as his message was it was also the product of a number of interacting causes operating on the general conscience of his time. Swami Dayanand Saraswati, to give him the name he chose to be known by, was born in Kathiawar in 1824, the son of orthodox Brahman parents. He appears to have spent his early years in an entirely orthodox *milieu*, and the vivid fragment of autobiography which he has left records a spiritual

## The Arya Samáj

awakening that is purely personal. He was, it would seem, only about fourteen when the sight of a mouse running over the sacred emblem of Shiva in the temple where he was keeping all-night vigil roused in him feelings of doubt and disgust which eventually grew to a contempt of idolatry. His mental revolt led him to a careful study of the Hindu scriptures and with fuller knowledge came graver doubts which finally drove him from his home at the age of twenty, a wanderer in search of truth.

The world into which the young inquirer emerged was in a ferment. The floodgates had but recently been thrown open to the learning of the West. The momentous decision of Government in regard to English education, and the opening of British India to missionary enterprise were working notable results. The inrush of modern scientific knowledge and the presentation of new standards of morality were stirring the accumulated dustheaps of the centuries, and the thoughtful Hindu on his first glimpse of himself as others saw him was recoiling from the spectacle. The sacred and honoured practice of *sati* took a new complexion when viewed as the torturing to death of a shrieking woman held down by poles on an inadequate wood fire, and the new point of view once gained embraced a limitless horizon. The popular Hinduism of the day became impossible for awakened intellects. Its crudities, cruelties and obscenities were too glaring in the new light. Disintegration appeared inevitable. Atheism claimed numbers of the rising generation, and though the founding of the Brahmo Samáj had raised hopes of the dawn of a purified and spiritualised national religion, for a time it seemed to many that the breached stronghold of Hinduism might at no distant date be occupied by the forces of Christianity. Those who held this belief were sadly underestimating the amazing strength and vitality of the older system, but it is safe to assert that during the years when Dayanand was wandering and studying, the menace presented to the religion of their forefathers seemed real

## The Arya Samáj

enough even to many orthodox Hindus. Western ideas imply Christian conceptions of life, and the Macaulay policy appeared to connote not merely the Anglicising but also the Christianising of their country. The outstanding influence of the great teacher and missionary, Alexander Duff, was believed to be working in the counsels of Government. The suppression of *sati* by legislation was largely ascribed—no doubt with justice—to his inspiration, and his conviction that English education was an essential preliminary to the spread of the gospel gave colour to the fear that it might be part of British policy to Christianise and so denationalise India. Practical proofs of the danger seemed to present themselves not only in the wonderful successes of the Christian missionaries, but also in the example of the solitary effort made by Hinduism to breast the flood. Ram Mohan Roy's influence and work had assisted both the action of Government and the labours of Duff himself, whom he had even helped to bring to the country, while his Brahmoism as developed by his successors could be represented to have nothing essentially Hindu about it and to be little better than an adaptation of the Christianity from which it admittedly drew a great part of its inspiration.

Such, very briefly, appears to have been the situation when Dayanand stepped into the arena. For eighteen years he had been a wandering student, and at thirty-eight he was now a good Sanscrit scholar and a distinguished pupil of some of the most revered teachers of the orthodox faith, from the latest-met of whom he claimed to bring a message for a bewildered world. With his coming a new force appeared. He was not only a pious and an earnest thinker: he was also an ardent patriot, and his whole mission is as eloquent of the one strain in his character as of the other. As a truly religious man he was appalled by the degradation of popular Hinduism, its gross superstitions, its lifeless ritual and its barbarous customs; as an educated man he recognized the inevitability of the claims of western learning; as a patriotic Hindu he contemplated with horror the pos-



## The Arya Samáj

sibility of denationalisation. In his study of the ancient scriptures of his faith and the early records of his race he believed he had found the key to the problem. In one of his prefaces Sir Monier Monier-Williams has quoted from an Indian correspondent, writing in 1893, a passage which is eloquent of what appears to have been Dayanand's attitude.

If there is one lesson in these days more than another which familiarity with the fountains of western literature constantly forces on the mind it is that our age is turning its back on time-honoured creeds and dogmas. We are hurrying forward to a chaos in which all our existing beliefs, nay, even the fundamental axioms of morality, may in the end be submerged; and as the general tenor of Indian thought among the educated community is to reject everything that is old, and equally blindly to absorb everything new, it becomes more and more an urgent question whether any great intellectual or moral revolution, which has no foundations in the past, can produce lasting benefits to the people. "I desire no future that will break the ties of the past," is what George Eliot has said, and so it is highly necessary that the Hindus should know something of their former greatness.

On these lines Dayanand's mind worked. Hinduism, as he saw it, was the degraded product of centuries of deterioration. Let men cut away the rank growth and reveal the imperishable truth of Vedism. Back to the Vedas—to the only spring and unpolluted fountain-head of all knowledge and truth, the priceless legacy to India from the Aryavárta of the golden days when all things were perfect, and when by direct inspiration the All-wisdom made known the divine mind to the holy Rishis for the enlightenment of all nations in all time to come. In effect he proposed at one and the same time to purge Hinduism of the horrors and superstitions which showed so foul in the new light, and by rousing a sense of pride in India's native creed and past glories to admit all that the West could bring, without jeopardy either to faith or nationality—to save, in fine, not merely Hinduism for the Hindu but the Hindu for Hinduism. Incidentally, the standpoint involved the assertion that the Vedas

## The Arya Samáj

enshrined, for those who could understand, all the discoveries past and future of all science and research, and Dayanand boldly made it.

### II

**I**NSPIRING and subtle as the appeal was, much water had still to flow past the ghats of Benares before the new Luther gained a hearing. The way of the reformer in India is peculiarly hard. Hinduism is a congeries of cults rather than a religion—less even of a religion than a social system. If it originated in a primitive nature-worship, developed through an era of ritualism and metaphysical speculation into a universal pantheism of a lofty type, it only survived and spread by the admission and assimilation of aboriginal cults and ignorant superstitions. Of dogma it knows little or nothing. It has room for the philosopher and the demon-worshipper, for the ecstasies of the saint and the unspeakable orgies of the Wám-márgi. Having never moralized its conception of the divine, it has no sanction in religion for right or wrong conduct. Ritual is its essence and observance its test of merit. The caste system, moreover, the one solid reality which it has thrown up and its one unifying and controlling influence, though developed by the priesthood to strengthen their own authority, and now inextricably interwoven with the code of observances set up in lieu of a faith, has only been given religious sanction by a fiction. Hinduism is in effect a religion of caste rules and usages; its sanctions are ultimately social; its laws immemorial group customs; and its tribunal the committee of the fraternity. Thus, although it enshrines for the student and thinker a profound and impressive philosophy, it presents itself to the man in the street not as a statement of the eternal principles of morality but as a formidable code of

## The Arya Samáj

etiquette ruling the details of his domestic life. He finds it greatly concerned that he should not marry the wrong woman or dine with the wrong man, hardly at all concerned that he should not bear false witness or lead a life of immorality. In matters of faith it is a go-as-you-please religion in which a man can believe much what he likes, provided he conforms with established usage. Antiquity consecrates the usage, and the Brahman is the repository of the key to the maze, the exponent and the policeman of the whole system. Acceptance of caste, of the authority of the Brahman and of the sanctity of the cow, makes the orthodox Hindu, and in practice every Hindu believes in transmigration and recognizes some god or other of the crowded pantheon in his domestic ceremonies.

The immense difficulty of attacking so Protean a system is obvious. Apparent essentials prove negligible and obvious trivialities may be found fundamental, while the vested interests involved, and the ingrained reverence of the east for what is immemorial, rise up as barriers of almost incalculable strength. The earnest reformer stands forth as the enemy of society, and even those whose conscience accepts his message shrink from seeing sacrilegious hands laid on the foundations of their family and national life. Dayanand, if, as it would seem, he set out manfully enough to cut at the root of things, made headway by compromise. To the four Vedas, originally stated to be the only true non-human revelation, he added the Brahmanas, Upanishads and later Vedic commentaries as authoritative expositions of that revelation and thereby admitted a mass of ritual and metaphysical philosophy of greatly varying value. Having postulated an All-merciful God, he accepted the incompatible and post-Vedic doctrine of *karma*—that as a man sows he shall reap—with its chain of retributive rebirths into existences determined by the past and determining the future. Though he tilted at caste, arguing for a return to the original four simple divisions of the people, he never broke with it, and the sanctity of the cow he merely swallowed



## The Arya Samáj

whole, weakly asserting that he did so not from religious but utilitarian motives.

It is unnecessary to suppose that he deliberately pandered to popular prejudice in order to secure adherents to an otherwise unpalatable creed. Dayanand was himself a Hindu, a Brahman, and, as some of the details of his system show, a man of curious limitations, and it is at least possible that his compromise was merely the natural equilibrium of the forces working in his own mind. However that may be, it was the compromise which made success possible, and though the resultant system was necessarily incoherent, the vague propositions in which the new creed was (very incompletely) embodied were indefinite enough to conceal the inequalities. Briefly stated these are that there is one God, Unbegotten, Unchanging, Imperishable, Just, Merciful and Omniscient, the Cause of the universe and of all things knowable, to whom alone worship is due. Coeternal with God are the Soul and Matter. The Vedas are the knowledge of God himself, and as such cannot be too carefully studied or too widely preached. Truth, diligently pursued, should be the guide to human action. Love and justice should inspire conduct. The duty of the Arya is to do good by improving the intellectual, spiritual, moral and social condition of mankind, above all by dispelling ignorance.

How far these propositions can be derived from the records of the primitive nature-worship embodied in the Vedas is a question that will not bear inquiry, nor need it be sought to discover how and where the doctrine of *karma* comes in; the propositions are in themselves at least not unacceptable to a large body of educated Hindus, and in so far as they excluded idolatry, the futilities and obscenities of the writings of the decadence and the worship of the heroes of the epics (contemptuously dismissed as "mythology"), pointed to something indefinitely higher and called to unselfish action they were a vast improvement on the popular belief. At the lowest estimate of his labours

## The Arya Samáj

Dayanand had evolved a purified Hinduism, which the educated man could adopt to his great spiritual advantage without incurring either serious obligation or social ostracism; and in making a clean sweep of the mediation of the priesthood, of shrines, pilgrimages, bathings in sacred rivers, and the whole of the Brahman's stock-in-trade, he had done something more than inaugurate a reformation in doctrine only. Into his elaboration of his system it is unnecessary to enter. His views are not always very enlightened or very inspiring, and occasionally, as, for example, in his eulogy of *niyog*—the temporary union for particular purposes of a man and a woman—they may be very unedifying reading. Dayanand was a curious medley of astuteness and simplicity, of learning and ignorance, of enlightenment and prejudice, but he was a man who won the respect of his contemporaries for his personal character, his earnestness and his fighting spirit, and it is of interest to note that there was a time when Colonel Olcott and Mme Blavatsky were content that the infant Theosophical Society should be considered a branch of his Samáj and to look to him as its head.

### III

**I**F it had had to depend for its appeal on its chilly theology alone, Aryism would not have flourished as it has, and even the awakening of pride in a glorious past does not explain the numbers of sober men who have joined its ranks and are labouring quietly and unostentatiously in the cause of social reform. An immense strength has lain in the blessing Aryism bestows on social service. There are numbers of educated and thoughtful men throughout the length and breadth of India who are profoundly dissatisfied with much of the accepted social system, but who lack the courage or the ability to bear their solitary testimony in an unsym-



## The Arya Samáj

pathetic world. To such the call of Aryism has come as an inspiration: they are its easiest-won and its best recruits; and the awakening, organizing and utilizing of their energies and influence is the Samáj's noblest achievement and its ultimate defence against hostile criticism. The Arya has responded manfully to the call to be up and doing for the good of humanity, and, as might be expected from a body drawn from the most enlightened section of the community, his outlook is wide and his efforts well directed. *Sati* and infanticide have disappeared, but he finds work for his hand on every side. His activity in educational matters deserves a separate paragraph, but he is not less zealous in other matters of general social reform, especially (and very wisely) in the improvement of the condition of women. He is a strenuous opponent of child-marriage, that source of so much sorrow and suffering and so many disabilities, physical and moral, of the race. The crippling expenses of the accepted marriage customs are engaging his attention. He is championing the cause of the widow, whose wretched servitude must often make *sati* seem a preferable fate, and the re-marriage of widows and their rescue from the worst miseries of their existence are part of his programme. Widows' homes and orphanages are among the most useful of the institutions he maintains. He sets his face against such horrors as temple prostitution, preaches clean living generally, and has elaborate theories on the safeguarding of the young from demoralising influences. There are signs of his breaking with the *pardah* system. He may some day work out a reasonable system of charitable relief. The Brahman and the professional beggar, at least, no longer batten on him. He did much good work in connexion with the Kangra earthquake, and in times of famine has both relieved sufferers and taken charge of numbers of orphans. Finally, he is holding out a helping hand to the depressed castes so long abandoned by orthodox Hinduism. In short, in matters of social service the Arya is to be found an active worker on the side of the angels, and his influence in this direction is both salutary and notable.



## The Arya Samáj

In educational matters the energy of the Samáj is especially worthy of record. "In every town of importance," says the Punjab Census Report, speaking of elementary education, "the Arya Samáj has opened a school for boys." It possesses also a number of high schools, and in the Dayanand Anglo-Vedic College at Lahore a college attached to the University and teaching the ordinary course for the Government degree. In the United Provinces the Samáj's activities in this direction have not as yet been so fully developed, but there, too, the number of its middle and primary schools is considerable and increasing. Especially noteworthy also is the fact that in the two provinces together the Samáj is credited with a female college and some eighty girls' schools—a development of no small importance in a country where the paramount necessity for educating the mothers of the coming generation and the sisters of the students of to-day is only slowly being recognized, and where old-fashioned prejudice fights against the idea as subversive of female morality. (It would be interesting to know, by the way, whether the W.S.P.U. has any idea what harm its militant methods are doing to the cause of women in India.) The schools just mentioned all work in the main on the lines approved by the Government, and so far are merely a useful contribution to the educational establishments now in vogue, being remarkable only for the demonstration they afford of the birth of a commendable spirit of enterprise and self-help.

While, however, the general attitude of the Samáj to education is laudable, special and particular interest attaches to the experiments made by one section of the body in the direction of evolving for the higher branches of study an educational system suitable, in its opinion, to the mental and spiritual needs of the country, of which the outstanding example is the academy, known as the Gurukul, started in 1902 at Kángri in the United Provinces. This academy is controlled by the Punjab provincial committee and its Governor and moving spirit is Mahatma Munshi Ram, now

## The Arya Samáj

the President of the all-India council of the Samáj. That the system adopted in the Gurukul should be a direct challenge to the official or Macaulay policy in regard to higher education was only to be expected from the whole nature of the movement which gave birth to the Samáj itself. The originators of the experiment, however, have had the experience of over half a century of the established system before them, and claim to be able to draw damaging conclusions from what they see of the results. It is, indeed, a commonplace that higher English education, as it has been administered to the Indian, has not justified the hopes of its promoters. Even friendly critics point out that it has in fact largely failed to *educate* and merely succeeded in cramming, and that we have somehow managed to lose the key to the formation of character—a strange record for a race whose boast is its public schools. The product of our system, it is frequently argued, is too often a mere discontented mendicant for Government patronage out of humour with education, which is to him a jumble of unasimilated and uncorrelated facts and alien ideas, the meaning of which is obscure, and the practical use of which, when the final examinations are past, appears *nil*; nursing a grievance against Government which, after encouraging him to this vain struggle, does not immediately reward his efforts with a competence for life; lacking the guiding principles which an undenominational training cannot supply; and impaired in morals and physique by the conditions of student life in an Indian university town.

Much of the charge is unfortunately true. The causes of failure are intricate and manifold, and long and careful thought has been, and is being, expended on the problems that arise. To the founders of the Gurukul the matter is simple. Our errors are, in their view, in using English as the medium of instruction, in neglecting to supply religious and moral training or training in the indigenous literature and philosophy of the country, in subordinating education to examinations, and in failing to surround the



## The Arya Samáj

student with proper protecting influences. The quarrel with Macaulay is vital, and the Gurukulists are not his only assailants. In that recently published and instructive novel, *Siri Ram*—unfortunately marred by its caricatures of the Englishwoman in the East—there is an illuminating passage describing a class of students engaged in paraphrasing Keats's "Ode to a Nightingale," which gives a glimpse of the heart of the problem:

The lover of the nightingale was debauched, it seemed, and the only reason why he did not eat the bird after all when he had pursued it into the forest and caught it, was that it was not good to eat.

"Thou was not born for death, immortal bird,  
No hungry generations tread thee down."

"Nightingale is not the game-bird for table," Banarsi Das translated. "Therefore the hungry sportsman spare to tread on it."

Fiction, perhaps, but no gross exaggeration of the truth. One cannot suppress a smile; but would the English lad receiving his education through the medium of, say, Chinese get any nearer to the soul of things? Where the letter is foreign and the spirit more alien still, is it small wonder that assimilation is hard? The Gurukulist is emphatic. There is nothing particularly British, he says, in the facts of science, and every reason why they should be presented in the vernacular, in which their inherent difficulty is at least not enhanced by the use of an unfamiliar vocabulary. History, Geography, Botany, Physics, What-you-will, are as educative in one language as another, and cannot be better learnt than in the student's mother-tongue. For literature, why vex his soul with alien writers whose stylistic beauties he cannot appreciate, and whose matter he can never more than half apprehend, when he has his own heritage in a literature which the most famous scholars of all nations revere and admire, which can speak to him as no other can, and of which he is at present left practically in ignorance? If his mind is bewildered, the indictment goes on, his soul is starved. It is right



## The Arya Samáj

enough that the western creed should not be added to the western curriculum, but is it right that the rising generation should be brought up *without* religious instruction? Ground the growing lad in the Vedas, and hold always before him the ideals of the religion of his forefathers. Teach him in his own language. Make his education an end in itself. He is a Hindu: make him a good Hindu, and not a homeless hybrid. For the rest, place him in healthy quarters, away from the temptations and dangers of cities; provide him with good teachers who will be father and elder brothers to him, and let them have him to themselves to protect and to mould in the right form. Such in brief are the principles on which the Gurukul claims to be founded, and though its primary object is the training of a sort of Arya *corps d'élite*—a band of “Servants of Humanity,” to use the Governor’s own phrase—its principles are put forward as the ideal of education in general.

The Gurukul deserves more than a passing word. It is not only a great experiment but it is the fine flower of Arya enterprise, and indicative both of its good and evil potentialities. It contains a school and a college section. Pupils are taken at the age of seven or eight, after a solemn initiation ceremony, and their parents are under a promise not to withdraw them till the expiry of a sixteen years’ course. On entering the boys take a vow of poverty, chastity and obedience, and put on the saffron dress of the religious orders, which they wear throughout their stay. During the sixteen years’ training they are not allowed to visit their homes save in exceptional circumstances, and their parents may not visit them more than once a month or stay more than two days. Discipline is strict, but those who have had the best opportunity of seeing the inner life of the institution invariably speak of the atmosphere of mutual confidence and affection which pervades it. The boys of each class live together in large dormitories under the care of a superintendent and are under continual supervision in and out of school, by day and by night. They sleep on plank

## The Arya Samáj

beds with the minimum of wraps and lead a life Spartan in its simplicity, rising at four to bathe in the Ganges and going to bed at nine after a full day's work, in which prayers and religious ceremonies, physical drill, class work and organized games all find their appointed periods. The course of study projected for eventual adoption is encyclopædic. "*At present*," says the prospectus, "Vedic literature, *Arsh* philosophy, *Ashtadhyayi*, *Mahabhashya*, English, Mathematics, Chemistry, Logic, Psychology, Ethics, Metaphysics, History, Economics, Political and Physical Geography, Drawing, Object Lessons, Practical Kindergarten and Botany are taught." Sanscrit works are studied in the original, and the students debate in Sanscrit and contribute to a manuscript Sanscrit magazine—a thoroughly schoolboy production with rude pictures and jokes looking queerly in their strange dress. English language and literature and also western philosophy are taught in English; other subjects, so far as books are available (at present a practical difficulty) in Hindi. The course can qualify for no university honours and the Gurukul confers its own degree of "Snátak." The Governor receives no pay and has bequeathed all his property to the institution, while many of the staff have given it their services for life. The pupils, who are drawn almost entirely from the higher castes and are largely the sons of Government servants, number close on 300 and pay fees of Rs 10 a month. There are many applications for every vacancy, and selection has to be made from the candidates, physical health, general bearing and brightness mainly determining the choice.

No one who has stood in the Gurukul playing fields, where they lie between the forests of the Siwalik hills and the Ganges, swept by the keen winds blowing off the Himalayan snows just visible in the north, with no human habitation in sight and no sound but the babble of the river or the calls of the jungle, can fail to praise the wisdom that chose such a delectable spot for the location of the school or doubt the benefits which such surroundings can confer. A visit to



## The Arya Samáj

the buildings leaves nothing but admiration for the internal arrangements. Kitchens, dormitories, bath-house, hospital, etc.—all are models of their kind—and if proof were required of the care lavished on the boys, it is to be found everywhere in their sturdy frames and happy faces. As an institution the Gurukul is unique in India, and whatever may be its aims and methods it must command respect at least for the excellence of its management. A recent visitor has recorded how forcibly all he saw reminded him of his own days at Charterhouse; another, watching the sprinkling of spices on the brazier at the evening fire oblation, was carried back in memory—with possibly truer insight—to the Jesuit college where he spent his youth. The Gurukul ways appeal to the Englishman. In the main they are the ways of the public school he knows and understands, and he is prepared to believe that they must be efficacious in the east as in the west in the building up of health, character, manliness and *esprit de corps*. It is where the Gurukul differs from the public school that he finds himself at sea. He is inclined to discover weaknesses in the complete separation from home—and womanly—influences, in the monastic life which leaves a lad to face for the first time the temptations of life full-grown, and in the general remoteness of the Gurukul society from the practical affairs of the world. He sees danger in the absolute control over the boys' development and outlook being in the sole hands of a small clique of enthusiasts, who at the best are doctrinaires and who might be bigots and fanatics. He doubts the sanity of judgment fostered by a creed which is largely dependent on make-believe, and the real practical value of an outlook to a dead past that seems to refuse to face hard facts of the present. That the Gurukul is calculated to produce healthy, clean-living, disciplined, patriotic and enthusiastic exponents and missionaries of Aryism is obvious. The question that arises is whether it will produce open-minded, loyal, practical and useful citizens of the British Empire.



# The Arya Samáj

## IV

THE Gurukul has been dwelt on because it is the manufactory of the perfect Arya, and the problem which presents itself is the ultimate value of Aryism as a training for citizenship. It has been asserted that the Arya Samáj is merely a political body and that its aims and influence are anti-British. The facts that the notorious Krishna Varma was an associate of Dayanand, that Lala Lajpat Raj was a prominent Arya, that a prosecution for sedition (ultimately withdrawn) was launched against the Samaj by the Patiala State, and that a number of Aryas have been found at various times playing a prominent part in fomenting agitation have been adduced in support of this view, and the writings of well-known Aryas and of Dayanand himself have been referred to for confirmation of it. The Samáj passionately denies the charge and vehemently protests against the misdeeds of individuals being held to reflect discredit on the body to which they happen to belong. In a way both the charge and the defence are beside the point. No one believes that the Samáj was merely organized for the spread of particular political views, or that all Aryas are politicians, or that Arya politicians are necessarily disloyal. On the other hand, a large number of Aryas *are* politicians, many of them of an "advanced" type, and some have admittedly joined the ranks of sedition. The real point at issue is whether Aryism tends to foster political discontent. The answer appears to be that everything depends on the way in which it is presented—that is to say, on the honesty of its exponents; that while the purest Aryism may be, as results show, a civilizing and an ennobling creed, it can be distorted and utilized to inspire the worst passions. It is exactly the man who is most interested in social reform, the best informed and the least conservative, who responds most readily to its call. The Samáj attracts in fact

## The Arya Samáj

the same class that politics attract. It gives its members in the local meeting place what they have probably never had before, something resembling a club, where the talk—as of men pledged to ameliorate the spiritual, moral and social condition of the world—must inevitably centre largely on political questions. And if Aryism thus fosters the study and discussion of politics, it provides a standpoint which is definitely national, diverting attention from the degeneration and humiliation of later days to a glorious, if largely mythical, past, when India was free, victorious, and the teacher of the world.

When India [says a recent Arya publication] was the centre of Vedic propaganda, and missionaries were sent from it to different parts of the world, it was also the seat of a world-wide empire, and Indian kings exercised direct sovereignty over Afghanistan, Baluchistan, Tibet, etc. and Indian colonists colonized Egypt, Rome, Greece, Peru and Mexico. When therefore the Arya Samáj sings the glory of ancient India—the land of expositors of revealed learning, the sacred soil where Vedic institutions flourished and put forth their choicest fruits, the holy country where Vedic Philosophy and Vedic Metaphysics attained their highest development, the sanctified clime where lived exemplars who embodied in their conduct the loftiest conceptions of Vedic ethical teachings—the health-forces of nationalism receive an impetus and the aspirations of the young nationalist, who persistently had dinned into his ear the mournful formula that Indian history recorded the lamentable tale of continuous and uninterrupted humiliation, degradation, foreign subjection, external exploitation, etc., feels that his dormant national pride is aroused and his aspirations stimulated. . . . Vedism fosters healthy patriotism, which statesmanship like that of Morley and Minto recognizes as a force to be encouraged and enlisted on the side of law, order, evolution, orderly development and evolutionary political progress on democratic lines.

Thus speaks the Samáj on its own aims, and the matter may be left there. So long as good and wise men control the activities of the Samáj there is no ground for apprehension. But this patriotism,

lofty, inspiring, vitalizing, unifying, tranquillizing, soothing, bracing and exhilarating,

## The Arya Samáj

is a heady wine, and its cupbearers must be selected with discretion. It is the hope of Aryism to see the return of the glories of the "Saturnia regna," and one is tempted to wonder how largely the Secretary of State and the Viceroy bulk in the mental picture drawn of the millennium. There is a healthy and there is a morbid nationalism, and the authorities in control of the Samáj have a very grave responsibility in the diagnosis and treatment of the souls under their charge. The appeal to the glories of a past "world-wide empire" that colonized and educated four continents, while it may inspire the strong, is in danger of unsettling the weak, and there is not too thick a partition between a legitimate pride in a great inheritance and a malignant discontent with present "external exploitation."

The persistent complaint of the Aryas that they have been suspected without attempt being made to ascertain what they are really doing and refused sympathy, which they have a right to demand, if it ever was justified, has been finally removed in one quarter at least by the recent visit paid to the Gurukul by the Lieutenant-Governor of the United Provinces, when he expressed his pleasure in seeing "one of the most original and interesting experiments carried on in the whole of India." A *rapprochement* between the Government and the leaders of the Aryas cannot be productive of any but good results. With better knowledge of each other there will be less possibility of misunderstandings on either side, and the Samáj in inviting closer examination of its work is putting itself in the best way to ensure that that work is both sound and effective. The Samáj has a large and growing following and a powerful organization, has found an appeal which is reaching some of the ablest minds of the community, and has the sympathy of all right-thinking men with its labour of social reform. If it should fall away from the high ideals which it professes and pander to ignoble and distorted illusions, its leaders will be of all men the most guilty and despicable. That the danger is not wholly problematical has unfortunately been demonstrated, and it



## The Arya Samáj

will not suffice for the appointed rulers of the body merely to disown a branch or an individual that offends. If they are sincere they must see that their house is in order and assure not only others but themselves that it was no fault of the system which produced the results they deplore.

The future of Aryism is obscure. The compromise which rendered it acceptable is only a compromise—a halfway house where its position must inevitably grow more dubious as time goes on. The higher criticism which rejected the later writings as mythology cannot indefinitely stop there, and with its application to the earliest records the extravagant claims made on behalf of the Vedas inevitably fall to the ground. Viewed in the cold light of comparative religion, these expressions of the nature-worship of a primitive people compiled round about the days of David, King of Israel, when the religious systems of Babylon and Egypt were already hoary with age, take a wholly different complexion from that which they presented to Dayanand's burning enthusiasm. To look the facts of history squarely in the face, however, would be not only to dethrone Vedism but largely to surrender the appeal to national pride. Shorn of its infallible Vedas and of its golden age, Aryism would have very little left that is distinctive. As knowledge increases, therefore, it must tend to depend more and more on make-believe, and make-believe is not only a treacherous support but a poor basis for a claim for sincerity of purpose. It is noticeable in this connexion that it is in the comparatively backward north and not in the more advanced communities of Bengal and Bombay that the Samáj has been most successful in its appeal. That the Arya articles of faith are inconsistent is probably of small moment in a land that has produced Hinduism, but the Samáj has some day to settle its long-neglected account with the caste system. Will it break with it or slip back into it? Either alternative would seem to spell ruin. And, finally, if it is to be a really civilizing agency, it must reconsider its attitude to other creeds. No leader ever left a more embar-

## The Arya Samáj

passing legacy to his followers than did Dayanand in the chapters of invective contained in the *Satyárath Prakásh*, his authoritative exposition of the new religion, which is now the Bible of the Samáj. That Hinduism rampant—whether reformed or unreformed—should attack Islam was so obvious that it is a pity Dayanand troubled to add to existing animosity. That he should have bitterly attacked Christianity was, as has been shown, inevitable. To the Christian converts of 1875 his denunciations of the God of the Old Testament may have seemed alarming; to the enlightened Christian of to-day they are merely puerile. Christianity no less than Hinduism has had its renaissance, and men who have welcomed the purifying results of modern scientific criticism applied to the early records of their faith merely smile at these furious onslaughts on the Hebrew Yahweh or the extravagant imagery of the Apocalypse.

The matter might be passed over were it not that the authority of the leaders of the Samáj has been given quite recently to a continuation of the campaign. In the publication quoted above, some hundred pages are devoted to the justification of Dayanand's attitude, largely by extracts from the egregious Tom Paine and a number of obscure modern English assailants of Christianity, and the horrors of the Inquisition and the abuses of the monastic system are dragged in to illustrate and point the argument. All this flogging of dead horses is sadly wasted energy and can be productive of no good inasmuch as it is an obscuring of present issues and in so far dishonest. The defence offered by the writer—"Semper ego auditor tantum?" in effect—is also largely disingenuous, since the days of the mad-dog missionary are happily past and the worker of to-day rather gladly accepts any common basis of spiritual aspiration and earnest endeavour than rouses hatred and animosity by indiscriminate denunciation. To set up a straw-stuffed image of Christianity and knock it down is a poor occupation for any "Servants of Humanity," and the attitude of the Samáj has unfortunately lent support to the sug-

## The Arya Samáj

gestion that the virulence of the attacks on the creed of the ruling power has some motive other than pure religious zeal. The attitude is no doubt a survival from the days when Dayanand squared his fists against what seemed a common enemy of his country, but it is indicative of the pitfalls that surround Aryism generally, and more credit would accrue to the leaders of the Samáj if they recognized the dangers that are in it.

The Samáj is a curious and a complex phenomenon and the problems which it raises are endless. Its real value to every-day India lies in its social reforms, and these, too, are at the moment its real strength; but as they are daily finding a wider acceptance among the community at large it would seem that as the leaven works the individual appeal of the Samáj must weaken. Orthodox Hinduism is moreover mustering its forces to resist the attack, and throwing up a very fair defence in a less trenchant but more generally acceptable reform of its religious and social practices. Christianity also is making increasing headway, at least in that lower stratum of the community to which Aryism is beginning to devote attention. And the purely nationalist appeal has other and more strident voices. The future of Aryism is full of interest. Will the Samáj eventually be swallowed by Hinduism, like so many previous attempts at reform before it, or will it succeed in freeing itself of its limitations and in welding the incoherent units of Hinduism—for better or worse—into a true Association of Aryas? Who can say?



## THE NEW WORLD AND THE OLD: A CANADIAN VIEW

CANADA'S delay in taking up the burden of Imperial defence is usually attributed to our ignorance of foreign affairs. We are situated, for the most part, it is said, away from the sea. Our farming population does not understand that, if the ocean routes are blocked, our markets disappear. Our business men forget that, if European capital is diverted to war, our industrial and commercial structure falls to the ground. We all overlook the German who contests Britain's supremacy on the sea, and the Oriental who stands at our western gate. We have been too much occupied building railways and cities to give sufficient thought to the world at large. This explanation, however, does not cover the whole ground. There are other causes to be considered, which lie somewhat deeper in Canadian life and character.

For generations past this continent has been accepting refugees not from the justice, but from the injustice, of older countries. Whether they have been cowards for leaving the fight or heroes for facing exile matters not. In all cases they come seeking something which they have not found at home. Usually they find it here. In proportion as their fortunes improve and their energies expand and their lives take on colour and variety, their bitterness against the old world, or at the least their scorn of it, increases. They become steadily the more convinced that their former misfortunes were due not to themselves, but to the society into which they were born. Features of that society, like the army, or the navy or the aristocracy, appear to

## The New World and the Old:

them as the visible signs of their bondage. They rejoice in having shaken off the chains and escaped from the prison. Regrets they may feel at times for the absence of a beauty and a stateliness impossible in a new country, but the regrets do not pass to their children who have known only one home. The bitterness alone remains, often transmuted in the second generation to amused contempt. "The old world, nursing old feuds, is the victim of history; if it were only free of its traditions, armies and war would be needed no longer." The sentiment may rarely be expressed, never in the definite form which these words give it, yet it certainly influences a number of Canadians when they try to persuade themselves that they must do something for defence. Their protest against being plunged into "the vortex of European militarism" did not mean that they were weaklings or sparing of their money, but rather that they thought Europe a prey to a delusion from which they had escaped, and that they were determined not to revive outworn prejudices and hatreds. "Europe has been chasing its own tail for centuries; that does not compel us to begin the silly game." In this instance scorn and contempt have become transmuted into a kind of pity. At other times all active feelings disappear, giving place to mere indifference. "We really are not concerned with European quarrels."

The newcomers to this continent have all begun at the beginning. An older country would have assigned them different places, and given them different advantages. Here there were no handicaps. All started from the same line. They may now have ceased to run level. Classes are forming, as wealth increases. The son of rich parents is being sent to a different school from that attended by sons of the poor. He will live and die among his own kind. Still over large parts of the country the old sense of equality prevails. The plumber's child will sit at the same school desk as the child of the doctor or the lawyer. The railway engineer will be the school friend of the judge. The result is a point of view and even a set of virtues which for want of a better



## A Canadian View

term may be called democratic. The ordinary Canadian understands and sympathizes with plain workaday people. He may be respectful, perhaps over-respectful, towards a peer, but he only admires the aristocrat whom he finds simple and easy of manner, and who would be likely to prove a dangerous rival in his own field of business or politics. Birth alone he would not consider a merit. His own virtues are generosity, friendliness, hospitality towards all comers. The reserve, dignity, reverence, *savoir faire* which distinguish an aristocratic society he has had no opportunity of cultivating. Indeed, he rather dislikes these qualities, on the ground that they usually go with an aloofness from and a disdain of inferiors. He sees, in European history and society, a struggle between upper and lower classes, between "the people" and their rulers. Military and naval establishments, "bloated armaments," are demanded by kings and nobles, whether to keep up dynasties and family feuds, to distribute dividends among wealthy shareholders, or to provide outdoor relief for the aristocracy. If "the people" could only assert themselves as they do on the American continent, this exploitation and danger of war would be at an end. The native of the Dominion finds it less difficult than an old countryman to understand the New England patriots who in 1780 hesitated to grant half-pay for life to American officers on the ground that such a step recalled the abuses of the monarchy and might lead to the establishment of a military caste.

Such, carried to absurdity, has always been the prejudice on this continent against those influences in English life and character the existence of which may be attributed to class feeling. Indeed, if England and Canada fall apart, it will be because an aristocratic and a democratic society cannot find sufficient in common, because the good and the bad qualities of the one differ from the good and the bad qualities of the other. Englishmen visiting Canada, in the search for those realities from which convention has hitherto cut them off, find their position difficult. Accus-



## The New World and the Old:

tomed to see obstacles, barriers between them and their fellows, they are now asked to act as though no such obstacles or barriers existed, to walk gracefully and naturally over a flat surface where formerly they moved among social hills and valleys. In other words, they expect to step down, and are suddenly met by the floor rising against them. The result is a measure of awkwardness, from which at times Canadians wrongly infer that no *rapprochement* between the two societies is possible.

All his upbringing and associations combine to make the average Canadian a radical. In the same connection it must always be remembered that he lives in public to an extent unthought of in older communities. He attends a "public" school; he plays in the public street or park. No fence or hedge separates his house and garden from those of his neighbours. All his movements, his wife's "At Homes" are described in the public Press. Few protest against this scrutiny; every one does unto his neighbours as he is done by. The rare individual who shuts off his affairs or his house from the public gaze is thought unfriendly and exclusive. Were many to imitate him, the system would be destroyed. It need scarcely be said that in such an atmosphere the reserve and restraint which mark European society are often misunderstood. Diplomacy and diplomats have an especially bad reputation, because they do their work in secret and cannot furnish newspaper interviews. The complaint is sometimes made that the Foreign Office is not frank or that the statements issued by it are so inadequate as to be misleading. The assumption appears to be that because negotiations between the Powers are not carried on in public, ambitions and intrigues take root and flourish.

Like most new countries, Canada has not merely democratic institutions and habits, and little or no reserve, but also few race prejudices. It was impossible in a society like this to learn or to care whether your neighbour was of high birth or low, his blood blue or red. Classes were so com-

## A Canadian View

pletely broken up as almost to disappear. In the same way, races were intermingled in the course of settlement. The law of the wilderness threw together Scots, English, Irish, Germans, and French. They arrived at an understanding and succeeded in establishing a common government and in attaining considerable prosperity. The result is a conviction, general among Canadians, that given a fair chance one European immigrant can do as well as another. English observers have often remarked that Canadians seem to regard England critically as though it were a foreign country.\* Certainly Canadians are not English, and do not share the strong race prejudices which naturally enough history has created in the Anglo-Saxon. Here we have Germans in our midst and find them peaceable and industrious. Some Canadians conclude that Germans in Germany are equally unwarlike, that the war scare has no justification in fact, that England is acting unwisely and even unfairly in blocking Germany's path. It is often said that all Canadians are Home Rulers. The statement is an exaggeration, and probably few Canadians understand the constitutional points at issue. At the same time, the opinion is widespread that the Irish do not exhibit here the effects of a double dose of original sin. Canadians, in fact, possess wide race sympathies as an outcome of this mixed origin, and these sympathies have not yet been absorbed by a strong national feeling at all equal to that in England, or even in Germany or the United States. At times antagonism to the neighbouring Republic has united all Canadians and roused a certain degree of patriotic enthusiasm. For the most part, however, the sentiments of Canada are still as indiscriminatingly cordial as those of a polyglot innkeeper in Switzerland who invites the world under his roof.

Though the races of Canada are many, the powerful

\* Compare the well-known judgment which Kalm formed of the American colonies in 1748: "This coldness is increased by the many foreigners who are settled among them. For Dutch, Germans and French are here blended with English, and have no special love for old England."



## The New World and the Old:

religions are few; and among them Nonconformity ranks high, both in the country where Scots and North of Ireland men have been successful settlers, and in the cities where their sons rise rapidly in business and in the professions. As in England Nonconformity resists war and preparations for war far more consistently than do the Anglican and Catholic bodies, whose long and tortuous experience has acquainted them both with the value of political opportunism and with the prevalence of original sin. Great numbers of Canadians follow Bright and Cobden (the latter, though not a Nonconformist, cannot be separated from Bright in the matter) in criticizing England's foreign policy and in preaching international peace. In the course of the recent debate on the Naval Aid Bill, a speaker thus described the mission of Canada:

The nations of the world now in turmoil are waiting for a message from somewhere, from anywhere, and who is more fitted to give them that message than the people of Canada, Canada alone without bloodstain, Canada in peace with the whole world? Oh Canada, God's child among the nations, speak to the nations of the world of peace, sound the glad note and it shall echo from throne to throne, from sea to sea, from river to river, to the ends of the earth and it will be the opening of the door and the ushering in of the day of peace on earth and good will to men.

There is no doubt that Bright would be elected over Palmerston in many constituencies. Moreover, as against Palmerston, who took men as they were, many people would prefer Bright, who took men as they could be made. Religion altogether apart, most Canadians distrust the postulate "things or men being as they are" which is usually relied upon to justify outlay upon war materials. In a new country things or men are never as they are. They are always changing. And where material wealth and prosperity are the standards, the change is usually for the better. At least it would be difficult to convince the average Canadian that the rapid transformation which he sees in the people and the conditions around him does not mean



## A Canadian View

progress. The optimism and hopefulness of the new world are proverbial. Those who breathe such an atmosphere cannot be prevented from believing that the European and Oriental should not be left as they are but should and could be roused to abandon their quarrels by an appeal to what is best in them. This faith may be narrow and mistaken, but it has as much truth in it as that which sees only the black side of human nature and consecrates whole races and generations to unalterable strife. It rests on a kind of idealism which at once defies challenge and argument.

The idealism of a new community is strongly compounded of an almost brutal self-confidence and of a very determined generosity. The mixture has probably been the result of pioneering conditions. The pioneers were compelled to work vigorously for themselves, but they also found it necessary to hold together and to give mutual help, if they were not to be crushed by their common hardships. Their code survives. Piracy and chivalry are united, as perhaps they have always been everywhere. From the harsh struggle for wealth issues an honest impulse to help those who fall. The whole community accepts and believes in social reform, and in imitation of the prevailing business methods social reform seeks quick returns, immediate results. It begrudges spending on defence the money which would instantly remove a slum. Its disciples are convinced that it will establish everywhere the laws of friendship and of equality which govern their own lives. They spare little thought for other dangers to the community than those arising from the house-fly or the bar.

I hear it was charged against me that I sought to destroy institutions. But really I am neither for nor against institutions (What indeed have I in common with them? or what with the destruction of them?),

Only I will establish in the Manahatta and in every city of these States inland and seaboard,

And in the fields and woods, and above every keel little or large that dents the water,

## The New World and the Old:

Without edifices or rules or trustees or any argument,  
The institution of the dear love of comrades.

In general, therefore, it may be said that many Canadians, especially of the older generation, wish to work things out in their own way. They interpret the history of the country as a long struggle for independence against an officious and arrogant Downing Street. The development of Canadian autonomy must continue until all the functions of government are discharged by the Canadian Parliament. It is significant that at this critical time several writers and orators are putting forward the traditional view of Canadian history and basing on it what amounts to a peaceful declaration of Canadian independence. The terms, nation and nationality, are accepted on all sides. Indeed the most careless observer cannot fail to see in Canada many of the same forces at work which, from diverse creeds and races, and occasionally in defiance of geography, have produced the most striking and powerful phenomenon of modern times, nationality.

The limitations of this attitude become apparent while it is being described. Europe cannot be dismissed as being unlike America and therefore barbarous. It has very real problems, like the Balkans, which need careful and sympathetic study even from Canadians. Indeed, both Europe and Asia are bringing their problems in upon us. We cannot escape them by hiding our heads in wheat. Canada on the Pacific is already a watchword of our politics. Canada in the Mediterranean is not an impossibility, so closely interwoven are our interests with those of other countries. To this extent the Canadian newspaper was right, which rebuked for retarding our economic development those Bulgarians who gave up their work on our railways and returned home to fight. The same point of view was taken by the speaker quoted above as an advocate of peace:

There is war now in some of the smaller countries of Europe, and, aside from the horrors of war, how is it affecting the financial con-



## A Canadian View

dition of the world? There is a financial crisis, almost a financial panic. I have it on the authority of two bankers of this Dominion that you could not borrow \$50,000 for a new and legitimate enterprise if you would lay down \$1,000,000 in security. The money could not be furnished. I have been told that by the president of the Bankers Association of Canada. Why is this? It is because the stream of supply is blocked up, money coming from the old country. Why? Because of distrust, the people holding and withdrawing their money. And what is the cause of it? This war is the cause of it.

The mistake in both cases lies in expressing undue contempt for European militarism, when we are fairly eating it with our daily bread. If the strength of Europe had not of late confined race hatreds within strict limits, the structure of our present prosperity would be in ruins. Our own race sympathies are not broad enough to include the Hindoo and the Oriental; or, at least, our society is not strong enough to absorb any large quantities of them. That such dangers would be removed by the presence of Canadian reporters at diplomatic council-boards is doubtful. International quarrels are probably more often prevented than provoked by the discreet silence of international representatives. Adding to the matter in dispute the difficulty of stating it fairly to all parties would only heap fresh fuel on the fire. It may even be contended that a nation should guard its designs as carefully as a manufacturer conceals his patents and processes. In any case some one must be trusted. Democracy is too apt to cavil at its leaders. In this connection an aristocratic society preserves a sounder tradition. Nor should the other virtues of such a society be disregarded by Canadians. Even the chorus from *Iolanthe* may serve for us as a serious lesson,

Hearts just as pure and fair  
May beat in Belgrave Square  
As in the lowly air  
Of Seven Dials.

By failing to appreciate older communities we run some risk of falling into a kind of inverted snobbery. We may



## The New World and the Old:

even prevent ourselves from observing that the spirit of democracy is often more powerful among European peoples than on this democratic continent. In any event such differences, whether as between Canada and Great Britain, or between Australia and Canada, count for nothing as against the interests and duties which unite these countries. Local differences or defects must not blind us to the value of the whole. In his study of William Blake, Mr Chesterton alludes to the indifference with which the poet regarded Voltaire's war upon the church, and his words fit the present case exactly:

Blake had no sympathy with this mere flinging of facts at a great conception. In a really powerful and exact metaphor he describes the powerlessness of this earthly and fragmentary sceptical attack.

Mock on, mock on, Voltaire, Rousseau,  
Mock on, mock on, 'tis all in vain,  
You throw the sand against the wind  
And the wind blows it back again.

An excellent image for a mere attack by masses of detail.

Some pages later he puts the same consideration in a way equally applicable:

For in this world of ours we do not go on and discover small things; rather we go on and discover big things. It is the details that we see first; it is the design that we only see very slowly; and some men die never having seen it at all.

Taken together, these passages fully explain the position of those Canadians who are busy at present bringing against the Empire this or that detail in its history. They are merely flinging facts at a great conception, merely attacking by masses of detail. For the design they seem almost afraid to look. This is especially true of many who have come forward to defend Canadian "autonomy." Local self-government is an excellent thing, but if carried so far as to destroy larger units of society it may prove a misfortune. We cannot consider

## A Canadian View

“autonomy” alone, but must also decide whether we have enough in common with the rest of the British Empire to require a common government. We should do well to inform ourselves about the Empire, and especially about the Crown Colonies, before we reach a decision. At present we are rather too much disposed to proffer criticisms instead of bringing to the problem the courage and constructive ability which we show in other fields. If we can become not less independent, but more broad-minded, not less practical, but more far-sighted, not less visionary, but better informed, not less generous, but better humoured, we may do a real service to the world.

## SOUTH AFRICA AND ITS NATIVE QUESTION

### I

SOUTH AFRICA, since the Union, is classed as one of the great self-governing Dominions of the Empire. There is, however, an important difference between South Africa and the other Dominions which have attained to that status. In the others the population, except for a few Asiatic immigrants and the relics of vanishing aboriginals, is of European race, comparatively homogeneous in civilization and in political and economic development. In South Africa the European population is a minority vastly outnumbered by a native population which is for the most part uncivilized and uneducated, and which shows no sign of dying out before the civilization which has been fatal to so many primitive races. The other Dominions politically are democracies, in which every subject of the King, with the few exceptions above mentioned, may attain full political rights. The Union of South Africa, though in form a democratic commonwealth, is in reality a European aristocracy which jealously excludes the vast mass of its native fellow-subjects from all political rights, and in certain matters restricts also their ordinary civil rights.

It is not the purpose of this article to discuss the reasons for this or the rights and wrongs of it. All that is necessary now is to mark the effect of South Africa's native problem on her place as one of the self-governing Dominions of the



## South Africa and its Native Question

Empire. The question is not limited to what may be called the political aspect of the problem. Behind this there looms the greater social or economic aspect. The other Dominions in their internal government have to face the ordinary social and economic problems which arise from the conflict of capital and labour, and from the filling of vacant lands, and the needs of growing industries. Externally they have to deal with their relations to other States, and more especially to those with which they have grown up in that ill-defined but living association of free peoples which the British Empire has produced. But South Africa, with all these problems also present in their several degrees, is confronted with another and far more important one—that is, whether the European population, in virtue of whose civilization and political aspirations she takes her present place in the Empire, will expand to meet the needs of filling lands and growing industries, or whether that population is destined to recede before or be merged in the advancing numbers and civilization of the race which it now regards as subject to it. The object of this article is to describe very generally the different conditions under which natives are at present living in the Union, and the relations into which they are being brought with the life and civilization of the European.

The native population of the Union at the census of 1911 numbered 4,019,006, the European population 1,276,242, and there was also a coloured population consisting of persons of mixed race and Asiatics numbering 678,146. The natives may be roughly divided into three classes, viz.: (1) Natives living in their own communities in reserves specially set apart, or in what are vaguely known as Native Territories; (2) natives who do not belong to any native community, but live individually or in groups on the European's land or in towns and industrial centres and (3) natives brought into the Union from outside under labour contracts.

The natives of the third class come either from the

## South Africa and its Native Question

Protectorates or from Portuguese East Africa, with a few from British Central Africa. The Portuguese natives are under obligation to return at the expiration of their contracts, and the others do return as a general rule. The Portuguese natives employed in the gold mines of the Witwatersrand number approximately 90,000, i.e., the number is permanently maintained at about this figure. As, however, the contract of service is at present for a year, and as almost every native, at the end of his contract, goes back for a longer or shorter period to his own country, the actual number of the Portuguese natives who are by occupation labourers on the mines of the Rand must be very much larger.

Of the other two classes the first includes the great majority of the native population of the Union. Though adhering to their own communities, they are by no means economically independent of the European. Large numbers of them come regularly to the mines and other industrial centres to work for periods of varying lengths. In their own homes they are, with certain exceptions, living to all appearances in the same condition of primitive barbarism as when the European first came into the country. Civilization and education permeate slowly from mission stations, or from those members of the community who go out to work for the European. The influence which these last bring back is not always for the good of their less advanced brethren. The diseases and vices of civilization seem to take hold more easily than its virtues. But civilization and barbarism cannot permanently co-exist, and the influences mentioned, without any conscious effort on the part of the European, outside the maintenance of law and order, have a slowly but surely disintegrating effect on the old tribal communities.

# South Africa and its Native Question

## II

OF special interest, however, are certain attempts which are being made to lead native communities towards a new social and economic position by a constructive policy of building on what is best in their existing social order, inspired by a sympathetic knowledge of native conditions, and a practical sense of the need of never moving too fast for the best native opinion to follow. This is being done in the Cape province—in the district of Glen Grey, the Transkei Territories, and other areas to which the system has recently been extended.

So far, the system has aimed at two objects: (1) the substitution of individual tenure of land for the communal system of the tribe, and (2) the management of local administration by the natives themselves, under such supervision as their present conditions render necessary.

These two lines of advance have not always gone on together, because it has been the rule not to move in any district till the best native opinion was ready for the change. The natives' acceptance of such changes is slow, and all the drawbacks of the new model, as compared with the tribal life of their fathers, are magnified by their natural aversion from change. It must also be added that, in this as in all experiments, weak points have been disclosed in practice which have had afterwards to be remedied, and the native does not readily separate the merits of a scheme in itself from faults which may be only accidentally connected with its execution.

Beginning with the Kat River Settlement in 1837, schemes of dividing native lands and allotting them in individual tenure were tried in several districts. All these schemes, however, were seriously hampered in two ways. In the first place, in surveying and laying out the holdings too little attention was paid to the native's predilections in the



## South Africa and its Native Question

matter of site and aspect, and to his preference for a movable residence. That, in some cases, made it difficult to induce the native to take up the new holdings. The second difficulty arose from the want of any easy and cheap method of effecting transfer of the holdings on death or alienation. Legal transfer of land cannot be completed without registration in the Registry of Deeds. The native, however, did not understand either the necessity for this, or the means of attaining it, and no proper steps were taken by the government to make the obligation clear and the means of fulfilling it easy. The result was that the lots passed from one occupier to another without legal title, and in some districts, where individual tenure had been successfully introduced, it lapsed again, because, after a number of informal transfers, it became impossible for an occupier to establish a legal title except at prohibitive cost.

A more comprehensive scheme was provided in the Glen Grey Act (Act 25 of 1894), which has been the basis of all subsequent legislation of this kind. The Act dealt with the Crown land in the district of Glen Grey, which was occupied as a native reserve. The first step was to authorize the Governor to divide it into areas called locations, which were to be surveyed and divided into arable land and commonage. The arable land was divided into lots of four morgen (one morgen equals two acres and a fraction), and, with certain exceptions in favour of former occupiers, these were assigned by the Governor to natives who applied and were regarded as satisfactory, either because of previous occupation of the land or for other reasons. The lots were given out on a perpetual quitrent title. Alienation or transfer were prohibited except with the consent of the Governor. Mortgage or pledge of the holder's interest, and sub-letting or sub-division were prohibited altogether. The title was liable to forfeiture for rebellion, for certain specified crimes, and also for breach of the conditions or failure to occupy and cultivate a lot. All rights to minerals and precious stones were reserved to the Crown.

## South Africa and its Native Question

Special simplified machinery was set up to provide for the legal transfer of lots on the death of a holder or on alienation by him to an approved transferee. This in the case of transfers on death involved a radical change in the native ideas as to the distribution of property on death. The Act provides that where the deceased has left a legal will the ordinary law of testate succession is to apply, but otherwise the property of the deceased is to be administered according to such tribal customs and usages as are declared by the Governor to be applicable. The allotment, however, held by a native under the Act is not devisable by will, nor does it pass by custom or usage. That and any other immovable property belonging to the deceased descends to one male heir by the rule of primogeniture, according to a table laid down in the Act. If the heir so indicated is already the holder of an allotment, he has to elect whether he will retain it and give up his inheritance, or give it up and take up the one inherited. He cannot hold both, and the one which is given up is re-allotted to some other member of the previous holder's family capable of holding it, and not already holding an allotment, or to some other member of the tribe. Payment has to be made in such cases for improvements according to valuation by the magistrate. The holder of an allotment may apply to the magistrate to disinherit his heir on account of gross misconduct, incapacity or insanity, and the magistrate must thereupon summon the heir before him, inquire into the matter and make such order as he thinks fit.

This law of succession and inheritance is in itself an interesting piece of legislation. It shows also how far-reaching is the effect of a change such as the introduction of individual tenure in land in detaching the native from his tribal system and bringing him under the influence of a civilized system of law. In ordinary circumstances, natives living under tribal conditions settle their ordinary disputes among themselves or by reference to the chief.



## South Africa and its Native Question

The ordinary courts of law, however, are open to them, as to all other subjects, and occasionally their disputes lead to litigation. In dealing with such cases the court has regard to such native laws as may be relevant but, except in Natal, where a code of native law has been enacted, and where there is a special high court for native cases, there is no statutory authority behind any such laws or customs, nor are they within the cognizance of the court except on proof as matters of fact. For these reasons, and because such laws and customs are often difficult to fit into the law administered by the courts, it often happens that the disputes of tribal natives coming into ordinary courts are decided according to legal principles unfamiliar to the disputants and probably repugnant to their notions of justice. With the institution of individual tenure in land the necessity immediately arises of regulating its title and transmission by a definite system of law, and this, as has been seen, involves the enactment of a special code to regulate the distribution of property on death, so framed as to be acceptable to native ideas, and at the same time readily adaptable to the forms and principles of the ordinary civil law.

In 1898 the system of individual tenure was introduced in the territory known as the Transkei, where there is a native population of over 600,000. The principles followed are in the main the same as in the Glen Grey Act. In one point, however, that Act had been unsuccessful. It had attempted to combine with individual tenure of land an incentive to natives to go outside the district as labourers. This was done by imposing on every native not being a landowner under the ordinary law, who in the magistrate's judgment was capable of labour, a tax of 10s. per annum unless (1) he had been in employment outside the district for three months of the year, in which case he was to be exempt for the year, or (2) he had been in employment outside the district for a period of three years in all—not necessarily continuously—in which case he was to be permanently exempt. The proceeds were



## South Africa and its Native Question

to be applied in the establishment and maintenance of schools for the education of the natives of the district in trades and agricultural labour. This provision of the Glen Grey Act, however, was from the first a failure, and was soon abandoned. It was not adopted in the Transkei.

The policy of introducing individual tenure in the districts where it has been tried is generally admitted to have been successful. A form of tenure has been found which the native understands, and means have been devised of enabling him to fulfil the legal formalities attached to the ownership of land among Europeans. It is clear that all this must necessarily have a potent influence on his whole social outlook, as well as on his economic position. A Select Committee on Native Affairs in the year immediately before Union (1909), looking back on the results of the policy, reported that the system "has generally given satisfaction, and there is a growing disposition among the people to favour extension of the system to adjoining unsurveyed districts of the Territories." They regard it as a step in "leading the native to recognize the rights and obligations of citizenship," and "weaning him from dependence on the chief or headman." A Commission on Native Affairs, appointed by the Cape government, which reported early in 1910, emphatically approved of the policy, but in respect of its economic, rather than its political, effects.

The advantages which appeal more strongly to them lie in the solution which it presents of the tendency to congestion or what under the communal system would amount to congestion in native areas.

It does this, they say, by fixing the extent of the arable allotment and preventing the encroachment of the arable land on the pastoral commonage. The native, it must be remembered, is at the best a very primitive agriculturist, and his means of subsistence is measured in terms of cattle or other live stock. The results, as indicated by the Commission, are likely to be improved methods of cultivation of the land

## South Africa and its Native Question

and more direct economic pressure on the younger natives to live wholly or partly by their labour, instead of living in idle dependence on the community. They found also "evidence of the beneficial effects of a sense of ownership upon the native registered holder manifesting itself in a greater sense of individual responsibility, in the development of business initiative, and in the improvement of the land."

The principle of the communal system, viz., that every member of the tribe is entitled to live upon the produce of the tribal lands, breaks down under the conditions which the European occupation has imposed on the native. The population grows, but the lands are limited, and the old methods of acquiring more lands are no longer possible. The policy just described may be regarded as an experiment in the direction of helping the native in economic progress, while protecting him from the disastrous effects of unrestricted competition with the European. He is to be led into the new sphere by the influence of the ownership of private property in land, but restricted in his rights of disposing of his property, so as to protect him from being despoiled of it, as he otherwise would be, by the economically more efficient European. Perhaps the socialist may lament an attempt to plant a system of private property in land on the ruins of a communal society, but the answer to him is that the communal state which is being supplanted here is not his ideal community, nor one which could ever have grown into it, and that, in the present circumstances of the native, the only alternatives open to him are to advance along the ordinary lines of economic progress of the civilization with which he has to live, or to perish before it as the North American Indian has done.

A more practical question is what the immediate effect of the process will be. One result will, no doubt, be the creation of a definite class of landless natives, depending solely on their labour for a living, and residing permanently



## South Africa and its Native Question

in the industrial centres. Improvements in cultivation will no doubt enable native families to live on smaller lots than is now possible, but the available land is limited, and the system of individual ownership leads to a sharper distinction than exists under the communal system between those who live by working the land and those who do not. The stronger the sense of private ownership, the less likely is the owner of a holding to allow it to be used or occupied by persons who have no rightful claim upon it. At present the majority of natives who come to labour in the towns and industrial centres retain a *pied à terre* in some tribal community, and return there from time to time to live upon their accumulated earnings. Individual ownership of land will probably put an end to this system of periodical labour, though not necessarily at once.

Another result following on the advance of the natives in business capacity, which has been already mentioned, will be a demand for the removal of restrictions on transfer of the allotments. A native who has become comparatively prosperous wishes to add to his holding, and in time he wants to obtain working capital by borrowing on the security of the land. A demand for the removal of restrictions has already been made in some districts, though it was withdrawn when the full significance of the step was understood. Whether this step will be taken or not will depend on whether it is the policy of the government to maintain these territories as native reserves, or to allow the native, once he has advanced a certain way in civilization, to come in as an ordinary member of the community, holding the land where he is economically strong enough to hold it, and becoming a landless labourer where he is not.



# South Africa and its Native Question

## III

THE other main object of the Glen Grey system is the administration by the natives, under proper supervision, of their local affairs. The Act of 1894 provided that each location in the district—i.e., each separate area of land divided into allotments—was to be managed by a board consisting of three resident landowners, to be appointed by the government after consultation with the other owners. The general administration of the local affairs of the district was entrusted to a council consisting of twelve persons, six of whom are appointed by the government on its own initiative, and six on the recommendation of the location boards above mentioned. The government can reject any unsuitable person recommended. The magistrate of the district presides at the sittings of the Council but in his absence the Council may elect one of its own members as chairman.

The location boards constituted under the Glen Grey Act have not been found to be a success. They have therefore been dispensed with in the Transkei scheme and district councils form instead the units of local administration. The councils consist of six members, of whom two are appointed by the government on its own initiative and four on the nomination of the natives of the district. If the district is a surveyed district—i.e., has been divided into allotments—the registered holders of lots in each location select three representatives. The persons so selected meet together and select four of their number for recommendation to the government as members of the district council. If the district has not been surveyed—i.e., the land is still under communal tenure—the magistrate calls a meeting of headmen, who select four of their number. In either case the government has power to reject unsuitable nominees and put others in their place. The term of

## South Africa and its Native Question

office is three years, but the government retains the power of dissolving councils or dismissing individual members. The magistrate is *ex officio* chairman. The most important innovation of the Transkei scheme, however, is the constitution of a general council for the whole territory. Three members of each district council are selected by the government as members of the general council—two of whom are nominated by the district council itself, and the other appointed by the government on its own initiative. The magistrate of each district is also a member, and the chief magistrate of the territory is chairman. The business of the council is partly financial—levying and collecting the rates to be mentioned hereafter—partly administrative, in spending the revenues so raised, and partly that of a general assembly of the representatives of the natives from all parts of the territory, at which questions of common interest can be discussed and brought to the notice of the government, even if they do not come within the ordinary scope of the council's powers. The council, however, even in the matters with which it is directly concerned, has no direct executive powers. The procedure laid down by the proclamation is that "at every meeting the business to be considered shall be explained by the chairman. After discussion, the representatives of the several districts present shall by voting record their opinions upon the subject under consideration, and the chairman, after consultation with the other magistrates present, shall decide upon the action to be taken and shall give the necessary instructions."

Experience has shown that the native is not yet sufficiently accustomed to European methods of administration to make proper use of them when left to himself. In other districts, where native communities expressed a desire for local government, it was usual to establish village management boards on the same lines as in European districts and to leave them to manage their affairs themselves. The Commission of 1910, however (already quoted), found that the work of these boards, except where they had been helped by



## South Africa and its Native Question

Europeans, had been "gravely defective," "meetings are irregular; minutes are rarely kept; supervision over village affairs is lax; proper books and accounts are seldom to be found; and there is in general complete inability to cope with financial questions." The Glen Grey system of local government, as adopted in the Transkeian proclamations, remedies this by making the council merely deliberative, and putting all executive power in the hands of the magistrates. What its ultimate development may be remains to be seen. So far, it has succeeded as a means of giving the native population in the Glen Grey district and in those districts of the Transkei and of Pondoland to which it has been extended a voice in the management of their local affairs—a privilege which they appreciate, and the use of which is every year being better understood.

The general councils derive their chief revenue from a rate of 10s. per annum levied on every occupier of a hut or separate piece of land and on every other native man residing under the councils' jurisdiction. From the outset, therefore, local taxation has been combined with local self-government, and though, no doubt, the existence of the 10s. rate tends to discourage natives from asking for councils in districts where they have not yet been established, it is equally certain that the collection of the rate and the management of the revenues raised thereby constitute a training in administrative methods, which could never be derived from the handling of money coming to them from outside, for the raising of which they had no direct responsibility. The objects on which the general council is authorized to spend its funds are very comprehensive—in fact any resolution approved by the government is sufficient to authorize expenditure. The main objects, however, as specified in the Transkei proclamation (Pr. 152 of 1903) are as follows:

- (1) Administrative expenditure of the general and district councils.
- (2) Construction, maintenance and repairs of roads, dams and bridges.



## South Africa and its Native Question

- (3) Tree-planting.
- (4) Eradication of diseases and noxious weeds.
- (5) Education, including the establishment and maintenance of industrial and agricultural schools.
- (6) Water supply.

For the year ending June 30, 1912, the revenue of the Transkei general council amounted to £78,000, of which £63,000 was raised by the general rate. Of this, £19,400 was spent in scholastic education, £17,000 on the promotion of agriculture and industries, £13,000 on roads. These figures may seem insignificant if judged by the standard of the budgets of the Union, but those who bear in mind that they are the budget of a people slowly emerging from barbarism, to whom roads and education and the use of money were but a few years ago unknown, will understand that they are the record of a movement with a significance not to be measured by the figures of to-day. The accounts of the Glen Grey district council and of the recently established Pondoland general council are, of course, on a smaller scale. The only noticeable point is that in neither of their budgets does expenditure on education bear relatively as high a place as in that of the Transkei general council.

The experiment, if so it may be called, of introducing individual land tenure and local self-government in native territories has been dealt with at length, because of its inherent importance in the progress of the native peoples, and because it is the only attempt of the kind which is being made among the natives within the borders of the Union. Moreover, it is the expression of a distinct policy in regard to the relations of European and native—that of maintaining reserves in which the native, protected from the stress of European civilization, can advance by building on what he has already made his own. Elsewhere, both in the Cape province and in the other provinces, there are large numbers of natives still living under tribal rule, either in reserves which have been formally set apart for them, and where the European is not allowed to establish himself, or in areas which have never been specially reserved, but

## South Africa and its Native Question

which, so far, have escaped European occupation, because they are remote from the centres of civilization, or in some cases are unhealthy for Europeans, and have not been found to possess sources of wealth sufficiently tempting to induce the white man to overcome those disadvantages. With the extension of railways, however, and the growth of the European population, and the discovery of means of avoiding some of the diseases which were once thought to be part of the order of nature in the so-called unhealthy districts, the line of European occupation is being steadily advanced into these areas. This process is perhaps most noticeable at present in parts of Natal (e.g., in Zululand) and in the northern districts of the Transvaal, and it gives rise at once to one of the many problems which make up what is called the native question, viz., the relation of the European and native on the land.

The tribal system, in fact, is breaking up not only where, as has been seen, it is being consciously replaced by other institutions, but equally so, if less apparently, where the natives are left to themselves. The tribal wars have ceased, and with them the main object of the whole social structure—the training and maintenance of the fighting men. “The men,” as old chiefs will often tell you, “have become women”—that is, they now go out to work, some on the tribal lands, which was the women’s work, but many more on the mines and in the towns for the white men’s wage. They do not indeed stay there. Their home is still in the tribe, and there they return from time to time for longer or shorter periods. But they come back with the seeds of change in them. They bring with them money, and some of the things which money can buy, and the insatiable desire for more. They have learned something of the white man’s life—not always to their profit. They have found a sense of their individual powers and skill, and a sense of individual property in the earnings of their labour. All these act as powerful solvents of the tribal bond of union. Other influences are at work inside the tribal area itself. The authority of the chief, nominally absolute, is in reality subject to



## South Africa and its Native Question

the laws of the white man. He has no longer power over the bodies and lives of his subjects. He has the disciplinary authority necessary for regulating the tribal life and the use of the lands, but all crime and disorder are dealt with by the white man's police and courts, and he only holds his authority at the pleasure of the white man's government. All these changes portend the speedy disintegration of the tribal system. Many friends of the native regret its decay, because it has stood to the native for a basis of a certain type of morality and healthy living for which he is slow to acquire any substitute from the laws and religion of the white man. But no regrets will save it in the long run.

### IV

IT remains to deal with those natives who have abandoned their tribal life and are living permanently on the lands of the Europeans, or in the towns and industrial centres. These are living under widely different conditions, but they naturally come more directly into relation with the European than those who are still living in their tribal communities. Their relations may conveniently be considered under two main heads according as they come in contact with the European (1) on the land, and (2) in industrial occupations. On the land the native is found sometimes as an ordinary farm labourer at a fixed money wage. Sometimes he is a sort of peasant who, in return for certain periods of labour for the owner of the land, is allowed to occupy and cultivate a piece for himself at the pleasure of the owner. He is not exactly a serf *adscriptus glebæ*, because in law he is free to move, but this liberty is to some extent restricted in the northern provinces by his having to obtain a pass in order to do so. Sometimes he is cultivating the white man's land, as a tenant at a fixed rent or "on halves"—i.e., in return for a share of the



## South Africa and its Native Question

produce. Sometimes he is the actual owner of the land, either individually—which is rare—or more often jointly with a number of his fellows who have combined to buy a farm, or even a considerable tract of country.

Where the native is a labourer for wage, or even where he has the right of cultivating a portion of the farm in exchange for his labour—which is a custom of long standing in South Africa—no serious question has yet arisen. So long as the status of the native is admittedly that of a servant the sentiment of the European is satisfied, though from time to time legislation is asked for to restrict the number of natives thus employed on any one farm. It is the position of the other classes which has been the subject of political controversy and legislative enactment. The main question is whether natives should be prohibited from acquiring or occupying land outside certain specified reserves and in particular whether the law should limit the rights of landowners to allow their lands to be occupied by native squatters, as they are called, i.e., by natives occupying at will, on payment of a money rent or share of the produce.

The latter question has been the subject of legislation in the two northern provinces for many years. In 1895 a so-called "Squatters' Law" was passed in the Transvaal forbidding any owner of a farm to allow more than five native families to occupy land on his farm. The government, however, found it quite impossible to carry out the law, despite repeated demands in the Volksraad, and it has been from the first a dead letter. The reason for the repeated demands of the farmers or landowners (the terms are practically synonymous in South Africa) in the Transvaal Volksraad and elsewhere for the enforcement of laws of this sort was that the congregation of natives in large numbers on certain farms was thought to diminish the supply of labour available generally throughout the country. There is, however, another and perhaps a better reason for such restrictions, viz., that it is bad policy for a country such as South Africa, where vacant lands are urgently

## South Africa and its Native Question

wanted for settlement, that landowners should be allowed to leave their land practically undeveloped, and draw substantial revenues from its occupation by large numbers of natives, who are adding comparatively little to the productive powers of the country.

The Transvaal law was ineffective because, like many of the laws of the South African Republic, it did little more than enunciate a general principle, without any consideration of the particular steps which would have to be taken to give effect to it. The most serious difficulty in the way of carrying it out was one of their own creation. The Republican government had surveyed as farms for European occupation large tracts in the northern Transvaal which were in fact actually occupied by a comparatively dense native population. The transfer of these lands to European owners did not lead to any immediate interference with the native occupiers, who doubtless remained in entire ignorance of any change having taken place. These farms have for the most part come to be owned by land companies, which treat the natives as tenants at will, and levy from them, where they can, an annual rental, small in its individual incidence, but large in the aggregate. To put in force now the Squatters' Law against these companies would mean displacing some hundreds of thousands of natives, who have been living on these lands as their ancestral domains. It is very doubtful whether such a removal could be effected by peaceful means. In any case, if any serious attempt is to be made to clear these lands of their native occupants, it can only be done when some other suitable territory can be provided to which those who wish to remain on the land can go.

The same evil—for it is admitted to be an evil—has been dealt with in the Cape province, but in a different and more practical manner. There the law (Act 32 of 1909) defines as a private location any land occupied by natives, who are neither owners nor servants of the owner, nor lessees under a definite title. Such occupation is only



## South Africa and its Native Question

allowed on payment by the owner of a fee of £2 per annum for each occupier, unless he is what is defined as a labour tenant, in which case 10s. per annum only is payable. By "labour tenant" is meant a native not being a servant who is *bona fide* required by the owner for service in his occupation. The requisite licence is issued by the magistrate in consultation with the divisional council. On the main question—the right of natives to acquire and occupy land—the first step towards a definite policy has been taken by the Natives Land Act passed during the recent session of the Union Parliament. The principle adopted is that of territorial separation of the white and native races in respect of the ownership and occupation of land. Certain areas are scheduled—practically the existing native reserves—outside of which natives are prohibited from buying or hiring land except with the consent of the government. In the hiring of land is included what has already been described as "squatting," except that such occupation is permitted where the consideration given to the European is the labour of the native or his family. Within the scheduled areas the purchase or hiring of land by Europeans is similarly forbidden. Provision is made for the appointment of a Commission which is to recommend to Parliament within two years what areas should be scheduled as "native" and "non-native" respectively, and power is given to the government to expropriate lands now held by Europeans which are required as native areas and conversely. What is contemplated, evidently, is a demarcation of the country outside the towns into (a) areas reserved for native occupation and (b) areas reserved for Europeans with their native labourers. All the land of the country will not necessarily be scheduled in one or other of these classes, but, if the policy is successful, that will no doubt be aimed at.

A step has undoubtedly been taken of far-reaching consequence, and one about which it would be unwise to offer hasty criticism. Much will depend upon the spirit in which the law is administered. That the indiscriminate con-



## South Africa and its Native Question

fact of two races so widely separated in capacity and civilization is bad for both is generally admitted. So far as the new law is the first step in a natural process of separation which will help the native and give him scope to develop the best that is in him in separate areas, protected from the moral and economic stress to which life in European surroundings exposes him, so far it will benefit both races. The law alone, however, will not accomplish that, unless its administration is directed by a deliberate and sustained policy of helping the native to rise in civilization according to his needs and capacities. If he is merely to be left alone in his reserves, "to develop along his own lines" as it is euphemistically called, the law will only be a further step in the direction of repression, which will in the end react on the European, as all attempts of a superior race to live upon the labour of an inferior one inevitably do.

In any case the new policy only touches the relations of the Europeans and native people on the land. It may to some extent affect the industrial relations of the two races, if conditions in the native areas are so improved as to provide counter attractions to those which are now drawing the natives from all parts of the Union and even from outside to offer their labour in the mines and other industries. But it is there—in the towns and industrial centres—and not on the land that the problems arising from the contact of the two races are most serious and most urgent to-day. Serious as they are they have attracted less attention from the legislature, partly because the land-owning classes hold at present, and always have held, political control in South Africa, and partly because the native is not yet an effective competitor with the European in the sphere of skilled labour. What will happen when he reaches that stage may be gathered from the disturbance already caused by the competition of the coloured man (i.e., the man of mixed race) as a skilled artisan. In the northern provinces this competition is being met by an attempt to exclude by custom and by the action of trade unions any coloured

## South Africa and its Native Question

man from being employed on skilled work. This exclusion rests, no doubt, partly on colour prejudice but it is also inspired by the desire to save the standard of living and the standard wage of the white working man from being forced down to that of the coloured man or native. Elsewhere, particularly in the Cape province, where—be it remembered—the coloured man is a political power, the unions are being driven to adopt another policy, which is to get the coloured artisan inside the trade union organizations.

As regards unskilled labour, the native has at present practically a monopoly in South Africa. This is due partly to a tradition, surviving from the days of slavery, that unskilled labour is in some way degrading to the white man, but much more to economic reasons, viz., that the native has a much lower standard of living, and therefore can and does work for a wage which is impossible to the European. As has been seen, this difference in economic standards makes the native and coloured man a serious force in competition with the skilled workman. The difference, however, is far greater in the case of unskilled work. The coloured men and natives who can compete for skilled work are comparatively few, and their standard of living is at least comparatively civilized. But the native by whom in the vast majority of cases the unskilled work is done is, in regard to his wants and habits, practically a savage. This power of the native to undertake unskilled labour at a wage which makes it impossible for the European to compete might, in the ordinary course—though slowly—disappear with the gradual rise of the native in the scale of civilization, were it not reinforced, so to speak, by the importation from Portuguese territory of natives whose standard of civilization is below that of the natives inside the Union, and is not affected by any spread of civilization inside the Union.

All these questions arise as the gradual advance of the native in economic efficiency, whether as occupier of the



## South Africa and its Native Question

land or as a worker in the industrial centres, is felt by the growing European population. This advance is not due mainly or primarily to the teaching of the schools. The labour which the European has been only too ready to exact from the native on his own terms is the instrument by which the native is being fitted to compete in spheres which the European had intended to reserve for himself. The schools, however, are taking a part, though a small one as yet. The Cape province, where most has been done in other directions for the advancement of the native, is also much ahead of the other provinces in respect of provision for native education. This is made in various ways. In the native reserves and elsewhere where missionaries have established themselves education is provided in mission schools, which receive under certain conditions government grants. Elsewhere the school boards in European districts make provision for the education of natives and persons of mixed race. In the other provinces native education is practically altogether left to the efforts of mission schools, which are aided by government grants. The following figures are significant :

	<i>Population. Census 1911</i>	<i>Average number of children enrolled in State or State- aided Schools.</i>
<i>Cape:</i>		
European	582,377	92,929 (1911-12)
Non-European	1,982,588	123,874
<i>Natal:</i>		
European	98,114	17,459 (1912)
Non-European	1,095,929	23,778
<i>Transvaal:</i>		
European	420,562	58,118 (1912)
Non-European	1,265,650	16,468
<i>Orange Free State:</i>		
European	175,189	20,028 (1911-12)
Non-European	352,985	9,600

It should, of course, be borne in mind that the category of



## South Africa and its Native Question

non-European includes not only natives but persons of mixed native and European race and also Asiatics.

The significant difference in the status of natives as between the Cape province and the other provinces, and a difference which probably explains many of the other differences which exist, is that the native in this province is, and has been ever since political institutions have existed, placed on exactly the same footing as the European in regard to the exercise of the franchise. Certain qualifications are required of a voter in the Cape province in respect of property or earnings and education, but there is no discrimination in respect of race or colour. The figures show that in the last voters' roll of the Cape non-European voters numbered, approximately, 23,000 out of a total of 148,500. In the other provinces non-Europeans are, in the Transvaal and Orange Free State by law, and in Natal in practice, excluded from political rights.

### V

SO far an attempt has been made to show in the most general outline the conditions under which the native people in the Union are living, and the questions which are being raised by their relations with the European. Attention has been almost entirely directed to the political and economic side of these relations, and not to what may be called social relations in the narrower sense of the word. These open up a field of inquiry which could not be adequately treated here, though the questions which are calling for a solution are no less acute and far-reaching than the others. Nor has it been possible to consider the native peoples who live outside the Union, in the British Protectorates by which it is bounded on the east (Basutoland and Swaziland), and the north and west (Rhodesia\* and Bechuanaland).

\* By Rhodesia here is meant Southern Rhodesia—i.e., Rhodesia south of the Zambesi.

## South Africa and its Native Question

These territories contain a native population of upwards of 1,300,000 with a European population of some 28,000, and it is impossible to leave them out of account in any comprehensive view of the relations of European and native in South Africa. The conditions existing there are generally the same as those of the native reserves inside the Union, but Basutoland deserves special attention from anyone who wishes to carry his inquiries further. There, alone among the native peoples in or adjoining the Union, is there something like a national consciousness which associates the people with the land in which they live. Zululand is now only a name and Swaziland is little more, but Basutoland is the home of the Basuto nation. It possesses also a remarkable political institution in the form of its council, which meets at least once in every year under the presidency of the Resident Commissioner to express its opinion on the domestic affairs of the people. All this requires attention from anyone who would understand what is called the native question in South Africa, because it is a question in which tribal and territorial divisions will not count in the long run. It is in the long run a question of the relations between the native peoples on the one hand living at present in a chaotic aggregation of tribes and individuals in and around the Union, and the European community on the other, which controls the resources and government of the country, superior in its intelligence, in its civilization, in its organization, but vastly inferior in its numbers.

In this sense the question is one which will not be answered or solved by any formula or policy. At the same time the gradual advance of the native in civilization and economic efficiency—whether as the result of conscious training by the European, or of the unconscious influence of the higher civilization on the lower—is constantly giving rise to questions which demand a settlement. For the proper settlement of such questions some sort of constructive policy is required, because if they are to be settled well, it must be by the conscious application by the European government



## South Africa and its Native Question

of certain ideas and principles as to what the ultimate relations of European and native are to be. This is not the place to attempt to forecast such a policy. The views of public men differ widely on this question, and the prejudices and traditions of the past rouse a fervour of sentiment and even of passion, which is absent from differences on ordinary public questions and which blinds the judgment. Moreover the most important elements in the solution are as yet uncertain. Will the European population rouse itself with energy to the occupation and use of the lands and other natural resources of the country, and look to its kindred peoples oversea to provide by immigration the addition to its numbers which a vigorous policy of expansion would require and support? Or will the European here persist in the old traditions, according to which neither industries nor agriculture can prosper without a permanent supply of uncivilized labourers, accepting a position of subordination which the civilized man would not accept, and working for a wage at which the civilized man could not live? On the answer to these questions the destiny of South Africa will largely depend. One great step forward has recently been taken—the union of the four European governments into one. Even already the effects of that are visible in the changed outlook with which men, who had grown up imbued with the particular ideas of their own state, are coming to look upon problems which they are now for the first time compelled to face as a whole. A new sense of unity has come, and with it an enlarged conception of the scope and destiny of the European peoples in South Africa, and a deeper and more generous understanding of the needs of the uncivilized man, and of the influence, social and economic, which he exerts on the civilized community.



## UNITED KINGDOM

### I. PUBLIC OPINION AND THE NAVY

THERE can be no question that the problems of Imperial defence are taking hold, in new forms and with growing insistence, of the mind of the public in the British Isles. Only a few years ago Lord Bowen's "man on the omnibus" was accustomed to believe that he maintained an invincible Fleet, which would assert the naval supremacy of the Empire in all the seas; and he did in fact maintain such a fleet. It was done without much question or serious strain. After a long spell of Ministerial and popular neglect, which lasted for more than half a century after the Napoleonic wars, there came in the 'sixties and 'seventies a gradual revival of interest in naval defence, from which the country has never looked back. The Fleet, of course, had its ups and downs, and suffered from passing enthusiasms for such useless land defences as Martello towers. There were periods of somnolence and periods of scare—as, for instance, in the early 'eighties, which ended in Lord George Hamilton's Naval Act of 1889. But the argument chiefly occupied the politicians, and the average man paid the taxes demanded of him with a certain cheerful confidence that the task before him was not beyond his strength and needed to be done. When a scare occurred, he would rouse himself, express his indignation at Ministerial negligence, insist on fresh expenditure (which was often wasted on ruefully misguided strategic ideas), and relapse again into his normal state of satisfied indifference. George Meredith

## United Kingdom

has described the coming and going of such a scare in a famous passage in "Beauchamp's Career." The ogre on that occasion was Napoleon III:

It was known that a valorous General of the Algerian wars proposed to make a clean march to the Capital of the British Empire at the head of ten thousand men; which seems a small quantity to think much about; but they wore wide red breeches blown out by Fame, big as her cheeks, and a ten thousand of that sort would never think of retreating. Their spectral advance on quaking London through Kentish hop-gardens, Sussex corn-fields, or by the pleasant hills of Surrey, after a gymnastic leap over the riband of salt water, haunted many pillows. And now those horrid shouts of the legions of Cæsar, crying to the inheritor of an invading name to lead them against us, as the origin of his title had led the army of Gaul of old gloriously, scared sweet sleep. We saw them in imagination lining the opposite shore; eagle and standard-bearers, and gallifers, brandishing their fowls and their banners in a manner to frighten the decorum of the universe. Where were our men? . . .

Panic we will, for the sake of convenience, assume to be of the feminine gender and a spinster, though properly she should be classed with the large mixed race of mental and moral neuters which are the bulk of comfortable nations. She turned in her bed at first like the sluggard of the venerable hymnist; but once fairly awakened, she directed a stare toward the terrific foreign contortionists, and became in an instant all stormy nightcap and fingers starving for the bell-rope. Forthwith she burst into a series of shrieks, howls, and high piercing notes that caused even the parliamentary Opposition, in the heat of an assault on a parsimonious Government, to abandon its temporary advantage and be still awhile. Yet she likewise performed her part with a certain deliberation and method, as if aware that it was a part she had to play in the composition of a singular people. She did a little mischief by dropping on the stock-markets; in other respects she was harmless, and, inasmuch as she established a subject for conversation, useful.

Then, lest she should have been taken too seriously, the Press, which had kindled, proceeded to extinguish her with the formidable engines called leading articles, which fling fire or water, as the occasion may require. It turned out that we had ships ready for launching, and certain regiments coming home from India; hedges we had, and a spirited body of yeomanry; and we had pluck and patriotism, the father and mother of volunteers innumerable. Things were not so bad.

Panic, however, sent up a plaintive whine. What country had anything like our treasures to defend?—countless riches, beautiful women, an inviolate soil! True and it must be done.



## Public Opinion and the Navy

Ministers were authoritatively summoned to set to work immediately. They replied that they had been at work all the time, and were at work now. They could assure the country that, though they flourished no trumpets, they positively guaranteed the safety of our virgins and coffers.

Then the people, rather ashamed, abused the Press for unreasonably disturbing them. The Press attacked old Panic and stripped her naked. Panic, with a desolate scream, arraigned the parliamentary Opposition for having inflated her to serve base party purposes. The Opposition challenged the allegations of Government, pointed to the trimness of army and navy during its term of office, and proclaimed itself watch-dog of the country, which is at all events an office of a kind. Hereupon the ambassador of yonder ireful soldiery let fall a word, saying, by the faith of his Master, there was no necessity for watch-dogs to bark; an ardent and a reverent army had but fancied its beloved chosen Chief insulted; the Chief and chosen held them in; he, despite obloquy, discerned our merits and esteemed us.

So then, Panic, or what remained of her, was put to bed again.

For many decades the epidemic nested in France. For the last it has nested in Germany. It has spread its wings and darkened the sky again and again, so that certain critics ascribe its recurrence to a chronic weakness of the national mind. The past need not concern us here. However serious the old scares may have been, at least they came and went, leaving a clear sky behind them when they had gone. But now the sky refuses to clear. The "scare" of 1909, launched on that March afternoon when Sir Edward Grey told the House of Commons that, in view of German competition, the whole British Fleet would have to be rebuilt in Dreadnought form, has left a permanent mark upon the public mind. We have made great efforts, as in the past, but we are realizing that even so our efforts, in Great Britain alone, may before long fall short of what Imperial security requires. And this increasing anxiety is not due solely to a narrow apprehension of German aims. It is due to the rate of naval expansion everywhere. Though Germany still bulks large to the "man on the omnibus," Germany, even to him, is not the only cloud in the sky. He is conscious that the problem of security is being complicated by the emergence,



## United Kingdom

in other parts of the world, of new and possibly formidable responsibilities. It is beginning to be thought that a Fleet will not suffice alone, that new military provision must also be made, and that in any case the naval needs of the whole Empire will very soon exceed the resources which Great Britain alone can bring to bear.

The concentration of British Fleets in home waters is now a commonplace of which most people understand the reason. What is further becoming plain, even to laymen, is that we already are passing into a new phase, which may make concentration to the present extent impossible to maintain. The naval challenge is growing everywhere, at a rate which the table on the opposite page will show. It gives the amounts voted or estimated for new construction by the eight chief naval powers in 1904, 1908 and 1911-12-13.

Two main features are worth attention in this table, which is compiled from the authoritative statistics of Brassey's *Naval Annual*.

In the first place, it will be seen that in the period 1904-8, which saw the accession to power of the Liberal Government, the British figures for new construction fell by more than a third. In the same period, the construction of France and Russia, the two Powers in the British group, also decreased: France by very little; Russia, like England, by more than a third. Germany's new construction almost doubled. It may be concluded that the "scare" of the following year (March, 1909) was reasonable enough, and that German expansion was not provoked by a British lead.

In the second place, the tables show the steady advance of new naval Powers in the last three years. During that period the new construction of Italy has nearly doubled, that of Russia has nearly trebled, that of Austria-Hungary has more than trebled. The significance of the new situation thus created is even better shown by the totals of expenditure on new construction in the triads 1908-10 and 1911-13. In the first and second triads alike Italy spent a total in new construction of over seven millions, Austria-Hungary rose from four millions in the first to ten in the second, Russia

A TABLE SHOWING AMOUNTS VOTED OR ESTIMATED FOR  
NEW CONSTRUCTION BY THE EIGHT CHIEF NAVAL POWERS.

	GREAT BRITAIN.	GERMANY.	UNITED STATES.	FRANCE.
	£	£	£	£
1904	13,508,176	4,275,489	6,611,909	4,370,102
1908	8,660,202	7,795,499	6,227,874	4,193,544
1911	17,566,877	11,710,859	5,343,789	5,876,659
1912	17,271,527	11,491,157	4,995,145	6,997,552
1913	13,276,400	11,176,407	8,459,194*	7,595,010

	RUSSIA.	ITALY.	AUSTRIA- HUNGARY.	JAPAN.
	£	£	£	£
1904	4,480,188	1,121,753	1,329,590	—
1908	2,703,721	1,866,358	716,662	2,967,918
1911	3,216,396	2,677,302	3,125,000	2,977,493
1912	7,940,094	2,400,000†	3,620,881	3,289,797‡
1913	10,953,616	2,800,000†	3,280,473	—

\* This amount was subsequently reduced by Congress.

† Additional sums are available under Law of 1911.

‡ Since 1911 naval policy has been a fertile cause of political disagreement, and it is not certain whether the programme laid down for five years in November, 1911, will be expanded or not.

## United Kingdom

rose from six to twenty-two. The German annual figure of well over eleven millions has not varied much during the last five years, but Germany has nevertheless complicated the problem by the New Navy Law of May, 1912, which makes her fleets in perpetual commission nearly half as strong again. In these narrow seas only a very few hours' steaming divides fleet from fleet, and security demands that we shall be ready, at our least favourable moment, to meet, at its chosen moment, the Fleet of the next greatest Power. When it is remembered that the naval strain thus imposed is being enhanced by other smaller Powers in many different parts of the world, it will not be wondered at that the mastery of the seas necessary to the British Empire is becoming more difficult of maintenance every year. The development of Russia has, with other causes, produced a welcome change in the orientation of German policy; but the German High-Sea Fleet is not the less a fact, and its significance for the British peoples is disagreeably heightened by the development of new centres of naval power which tell immediately upon the Mediterranean, and cannot fail before long to influence the problems of statesmanship a great deal further east. The problems of the Pacific, for instance, are directly affected by the changes of the balance in Europe, since these changes react upon the relations of the European Powers with Japan, and also affect the margin of strength which Great Britain can spare for distant seas; and it is not to be forgotten that the steady process of European expansion may at any time affect our interests very seriously in the Near and Middle East.

It is not remarkable, then, that the English public is becoming conscious of growing pressure from many sides, even though it is unable to estimate with any clearness the effect of what is taking place. Discussion of the naval situation is beginning to divide those who study it into categories which can be roughly described; but before an attempt is made to describe them, a word should be said upon the standpoint of the average man, who ultimately decides between policies and schools.



## Public Opinion and the Navy

In Parliament and the Press the period of Navy Estimates is invariably attended by some acrimonious warfare between the advocates of strong defences and the anti-militarists. There is, in the political and journalistic headquarters staff of Liberalism, an influential and consistent body of Radical opinion which condemns all expenditure on armaments and makes it much more difficult for a Liberal than for a Unionist Cabinet to propose increases in the Estimates. But this section exercises its power for special reasons. It is vigorous and sincere, and though its views upon the Navy are not widely shared, it provides a great deal of the nerve and fighting strength of Liberalism in other questions. It is, therefore, well represented in every Liberal Cabinet, as, indeed, it deserves to be, and is humoured on the naval question lest a sense of alienation and depression should weaken its attachment to the whole Government cause. Eight years ago, when the Liberal Party returned to power, this section had a strong sympathizer in the new Prime Minister, Sir Henry Campbell-Bannerman, and a powerful majority in the Cabinet. The result was a great reduction in the British shipbuilding programmes, the extent of which may be judged from the figure for 1908 in the table given above. But the stern awakening of the following year had permanent effects. Although the Cabinet, even in the emergency which its own spokesman had described, was unable to agree upon a programme of more than four battleships, the Unionists determined to have eight. Parliament proving intractable, they pressed their demand in the constituencies. Ultimately, the Cabinet yielded, and eight ships were laid down. As the mists of that controversy have gradually cleared, it has become obvious that the Unionist party showed a true perception of the facts. Every sane person now realizes how parlous our naval position would by this time have become had not eight ships been then laid down. Every one knows that if the influence of Great Britain has been a potent and probably decisive factor on the side of European peace during the last two years, that influence has been

## United Kingdom

based on the naval superiority secured by the common efforts of the United Kingdom and the Dominions since 1909. The result has been a great weakening of the influence of the Radical wing on naval policy. It is still considered, humoured, expostulated with, consoled; but its views do not prevail. The great majority of the Cabinet, including Mr Churchill and Mr Lloyd George—who in 1906-8 were Little Navy men—harbours no illusions on the needs of defence, and Mr Asquith has not the leaning towards the Radical wing which distinguished his predecessor at the Liberal helm.

This change of mind in the Cabinet has, of course, reacted on Parliament and the Press; but it would be a mistake to suppose that the diminished programmes of 1906-8 in any way represented a wave of feeling in the constituencies. Our "man on the omnibus" has never failed as yet to respond to an agitation on behalf of the Fleet. He did so instantly in 1909, and he will always do so again. Given a serious division between the parties on the naval question, there can be no doubt as to which will win. The naval controversies which resound through Parliament and the Press, and are interpreted by newspapers in all parts of the Empire according to each newspaper's point of view, cannot be justly estimated unless this constant feature of British public opinion is steadily kept in view. Whenever the controversy is taken to the country, the country decides for the larger Fleet.

Another factor in public opinion—telling, in this case, not only in Parliament and the Press, but also in the constituencies—deserves mention. Amongst the more intelligent class of working men there is a growing suspicion of the influence exercised on shipbuilding programmes by the armament firms. In essence, this suspicion is a part of the sweeping distrust felt by Labour against Capital. It is being strengthened by the revelations made in Germany regarding the methods used by certain agents of the firm of Krupp. It does not tend, however, so far as can be judged, to any reaction in favour of the Little Navy school,



## Public Opinion and the Navy

but only to a desire for safeguards against the influence of the firms. In this way it strengthens the demand for new Government yards, the feeling being that programmes will not be swelled by undue influence if all ships are built by Government. In Great Britain, however, the suspicion has very little ground; the firms are too much in the light, and Parliament too strong. And a Government monopoly of shipbuilding is not likely to be widely approved, since it would infallibly put up the cost of ships and swell the Estimates anew. The existence of Government yards at present enables the Admiralty to check the tenders of the great contractors for every class of ship; and that is all that is required.

Finally, there is to be noted in public opinion at large a growing hope—which spreads apace as the necessities of the position are more keenly felt—that the Dominions will play a greater part than heretofore in the maintenance of naval power. The action of New Zealand and Australia in the crisis of 1909, the Defence Conference which followed, and the development since that date of the Australian Fleet, have undoubtedly made a profound impression, which was deepened and extended by Mr Borden's visit last year and his subsequent proposals in the Canadian Parliament. This hope, long cherished in the minds of enthusiasts, is now unquestionably taking a firm hold of the public mind. But it should not be misinterpreted. So far as public opinion in Great Britain understands the nature of the Imperial problem, it is ready to share the power no less than the burden. A suggestion to that effect at any public meeting is certain, as Mr Borden found, to be enthusiastically cheered. It is, therefore, not just to British opinion to suggest, as a certain school of speakers and writers in the Dominions often does, that all hopes in this country of auxiliary naval expenditure from the Dominions are actuated by a desire to buttress British policy in Europe with the resources of distant tributary States. The earlier phases of naval discussion, carried on very largely by naval and military experts to whom the political conditions of the



## United Kingdom

Empire were not plain, are, no doubt, in part responsible for that view. But British opinion will always be misunderstood so long as arguments about the manner in which help may be rendered are confused with the purpose for which help is desired. It is only fair to the average English and Scotch taxpayer to say that his idea of the Navy has always been an Imperial idea, at least so far as concerns the purpose for which the Navy exists. He has looked upon the Fleet as the warden of the whole Imperial system, and not merely of the British Isles. He is apt to be much troubled by the absence of a British ship in emergency at any distant point—in the earthquake at Kingston, for instance, some four or five years ago. He wishes the Fleet to represent the Empire as truly as the Crown, and to “show the flag” in such strength as Imperial interests in every sea may require. Thus, when he looks for aid to the Dominions, he has the security of the whole Empire in mind, and not merely the security or the prestige of the island in which he lives.

### II. OFFICIAL STANDARDS AND PRINCIPLES

**I**T is just a quarter of a century since the country went through the salutary revision of its strategic principles which culminated in the Naval Defence Act of 1889. It was then definitely realized that money taken from the Fleet and spent on coast or land defence was money thrown into the sea, and a return was made to the twofold principle that security depended on sea-power, and sea-power on capacity to seek out and destroy all hostile fleets. To the group of writers and thinkers who brought about that reaction the country owes an untold debt.

In the period which followed, the principle known as the Two-Power Standard was applied fairly consistently to our yearly programmes of ships. This standard was intended to secure a superiority of 10 per cent in ships of the line over

## Official Standards and Principles

the two next strongest Fleets. Its efficiency was demonstrated in the long period of strained relations with France, which culminated in the Fashoda episode in 1897-8. This was the period of "splendid isolation," which continued through the crisis of the South African War, when a European combination against the Empire was prevented only by the manifest power of the British Fleet.

But from that moment onwards the conditions began to change. German naval development, followed by the *rapprochement* between Great Britain and France, gradually brought a new standard into play. Instead of a probable combination of two allied navies, we were obliged to consider the menace at our very doors of a single homogeneous Fleet which was gradually excelling in striking power any two of the European navies in existence after the Russo-Japanese War. From a superiority of 10 per cent over the next two strongest Fleets our standard in consequence changed to a superiority of 60 per cent over the one next strongest Fleet, and stands at that measure to-day. There are other and higher standards for auxiliary craft, but they have never been publicly explained, and comparisons can be made reasonably clear only if confined to ships of the line.

Such ships, whether battle-cruisers or battleships, are all now of the "Dreadnought" type. The main feature of this type is the "all-big-gun" principle, which represents a great development of battle power. For nearly a quarter of a century before the Dreadnought, battleships had been built to one standard type, which carried two of the heaviest guns fore and aft, and broadsides of much lighter weight. Then came the King Edwards, which still carried two 12-inch guns fore and aft, but had a broadside strengthened at the four quarters by 9·2's. These were followed by the Lord Nelsons, which kept the same arrangement of 12-inch guns, but were still further strengthened by having their whole broadsides of 9·2's. The Dreadnought passed straight from these compromises to a complete armament of 12-inch



## United Kingdom

guns, disposed in five turrets of two and giving a broadside of eight guns. Besides these she had only 12-pounders for resisting torpedo attack. The super-Dreadnoughts have improved upon the principle by having their five turrets all on the centre line of the ship, so that the whole battery of ten heavy guns, now 13·5's, can fire on either broadside. The anti-torpedo armament has also been gradually strengthened, so that it is almost becoming a secondary armament, capable of use in a fleet-action. The Dreadnoughts and super-Dreadnoughts have the further advantage of stronger armour and higher speed. The first battleship of the family, which gave her name to the type, was commissioned in 1906. The first battle-cruisers, the three Invincibles, were commissioned in 1908 and 1909. These ships have rather less gun-power and armour, but higher speed, and are designed for special tactical purposes. Their combination of strength and speed is meant to enable them to overtake and hold a retreating fleet, so as to give their own fleet time to come up and compel a decisive action. They can also, in the course of an engagement, be pushed forward and thrown across the enemy's line. Their main utility is, therefore, in combination with other squadrons of the line. There is also a new development in British design which assimilates the battle-cruiser and the battleship in a single intermediate type; but types are constantly being modified, and the use of oil-fuel is bringing forward new possibilities of great importance and interest. Such questions, however, lie outside a discussion of present standards of strength. It must suffice to say that the relative naval striking force of the different countries is at present reckoned in ships of the line of the Dreadnought type, since such ships are coming to represent practically the whole immediately effective battle-power of existing fleets, and that to these same vessels is now restricted the name of "capital ships."

Speaking in the House of Commons on March 18, 1912, Mr Churchill, after retracing the history of the Two-Power



## Official Standards and Principles

Standard, made the following observations on the existing one:

The actual standard in new construction—I am not speaking of men or establishment—which the Admiralty has in fact followed during recent years has been to develop a sixty per cent superiority in vessels of the Dreadnought type over the German Navy on the basis of the existing Fleet Law. . . .

If Germany were to adhere to her existing law we believe that standard would, in the absence of any unexpected development in other countries, continue to be a financial guide for the next four or five years, so far, that is to say, as this capital class of vessel is concerned. Further than that it is idle to speculate. This, however, I must say. I must not be taken as agreeing that the ratio of sixteen to ten could be regarded as sufficient preponderance for British naval strength as a whole above that of the next strongest naval Power. Even if we possessed an Army two-thirds as strong as that of the strongest military Power, we could not agree to that. We are able for the present to adhere to so moderate a standard because of our great superiority in vessels of the pre-“Dreadnought” era, among which the eight King Edwards and at least eight of the armoured cruisers are quite unmatched among contemporary ships. As these vessels gradually decline in relative fighting value, our ratio of new construction will have to rise above the sixty per cent standard. Every addition which Germany makes, or may make, to the new ships she lays down each year must accelerate the decline in the relative fighting value of our pre-“Dreadnoughts,” and, therefore, requires special measures on our part.\*

Mr Churchill accordingly stated that any increase on the German programme then laid down would have to be met by additional construction on the British side of two ships to each German one; but that on the other hand a reduction of the German programme would lead to reduction on the British side at the same rate—two British ships to be struck off for every German one. In May of the same year, 1912, Germany produced her new Navy Law, which added one ship in the present year, another in 1915, and a possible third at some date unfixed. In July, Mr Churchill consequently announced an addition of two ships to the British programme of the present year, making a total of five, and

\* Hansard, March, 1912, pp. 1546-7.

## United Kingdom

proportionate additions to meet the further expansion proposed by Germany for future years. It is to be noted, therefore, that the Admiralty has already adopted a standard of "two keels to one" against the additional ships projected by the German Fleet Law of 1912; that this rate of expansion is at present barely sufficient to establish a superiority of 60 per cent in ships of the Dreadnought type over the total German programme; and that the necessity of adopting a higher rate as the pre-Dreadnoughts fall out of the account, was publicly foretold by the First Lord as much as eighteen months ago.

The adequacy of this standard would probably not be disputed at all, if Germany—the Power by whose programme it is reckoned—were the only naval Power with which the Empire is concerned. The withdrawal of all British battleships from the Mediterranean in the early part of last year caused, however, a pang of public anxiety regarding its sufficiency for British naval requirements beyond, as well as in, home waters. Mr Churchill partially allayed these fears by announcing in July (1912) that the four Invincible battle-cruisers would shortly be based on Malta,\* and by sending the Third Battle Squadron to show the flag in the Mediterranean during the months of crisis produced by the Balkan War. The detachment of the Third Battle Squadron for Mediterranean service is, however, a temporary expedient, which may not be advisable in different circumstances. The squadron has since returned to home waters, and Mr Churchill himself has said† that the battle-cruiser and armoured-cruiser squadrons now based upon Malta will not be adequate after the beginning of the year 1916. A later speech of his‡ has thrown further light on the position by explaining that a superiority of 50 per cent is regarded by the Admiralty as sufficient for the North Sea, the remaining 10 per cent of our

\* Hansard, July, 1912, p. 857.

† Hansard, July, 1912, p. 558

‡ Hansard, March, 1913, p. 86.



## Official Standards and Principles

60 per cent superiority being therefore available for service in the Mediterranean or elsewhere. The bearing of these percentages is best illustrated by a tabular statement of the respective Dreadnought strengths of Great Britain and Germany in 1916 and 1917.

British Dreadnoughts take on the average two years to complete. The German rate of building, which was once much slower, is becoming approximately the same. Other naval Powers take longer, but the British and German rates make it necessary to calculate between two and three years ahead. Thus the winter of 1915-16 is now the earliest period for which it is humanly possible to provide by new construction; and it is also the period in which Mr Churchill foresees a necessity for increasing British strength outside the North Sea. Calculations of this kind are liable to constant confusion, because new ships come into commission in different months of the year, with the result that estimates vary somewhat according to the period of the year taken. The following figures, however, which are calculated for March, 1916 and 1917, will illustrate quite closely enough the general position. They show, first, the number of British and German Dreadnoughts which will then be in commission; and secondly, the numbers required for a British superiority of 50, 60 and 100 per cent respectively.

### BRITISH AND GERMAN DREADNOUGHTS.

#### MARCH, 1916.

BRITISH.		GERMAN.	
Already in commission . .	34	Already in commission . .	23
Ordinary 1913 programme . .	3	Ordinary 1913 programme . .	2
Extra 1913 programme . .	2	Extra 1913 programme . .	1
	—		—
	39		26
Required for 50 per cent superiority . . . . .			39
Required for 60 per cent superiority . . . . .			42
Required for 100 per cent superiority . . . . .			52
50 per cent superiority exactly secured.			
Deficiency on 60 per cent . . . . .			3
Deficiency on 100 per cent . . . . .			13



# United Kingdom

MARCH, 1917.

BRITISH.		GERMAN.	
Already in commission . .	39	Already in commission . .	26
Projected 1914 programme	4	Projected 1914 programme	2
	<hr/>		<hr/>
	43		28
Required for 50 per cent superiority . . . . .			42
Required for 60 per cent superiority. . . . .			45
Required for 100 per cent superiority . . . . .			56
Margin over 50 per cent . . . . .			1
Deficiency on 60 per cent . . . . .			2
Deficiency on 100 per cent . . . . .			13

It should be repeated that, for the reasons already given, comparative tables of this kind are not to be judged too narrowly. The mere fact that efforts to fix the 60 per cent standard at a given moment carry the calculation into decimal fractions of a ship\* shows that the standard is only a rough guide, which must be applied with reasonable latitude. The comparison should, moreover, be qualified by two considerations which are not shown in the tables. The first of these is the provision of three additional Dreadnoughts by Australia, New Zealand and the Malay States, two of which, the New Zealand and the Malaya, have been placed at the absolute disposal of the Admiralty. The Australia and New Zealand are already in commission; the Malaya will be completed by the last quarter of 1915. The whole subject of Dominion ships will be dealt with in a later section of this article, when the European aspect of naval competition has been explained; but their existence, at least so far as the New Zealand and Malaya are concerned, should not be overlooked here. The other consideration not noted in the tables is the existence of the Lord Nelson and Agamemnon, two very powerful battleships which the Admiralty includes in its calculations of the sixty per cent margin. They were, in point of fact, completed later than the original Dreadnought, but they are earlier in

\* Such fractions in the above table have been treated as one whole ship.

## Official Standards and Principles

design, and since they are pre-Dreadnoughts in type, they are properly excluded from a comparison of Dreadnought strengths. It may be added that the tables do not include the three ships which Mr Borden proposed to vote this year for the whole-world service of the Empire. Had the Senate sanctioned these ships, they would have been at the Admiralty's disposal by the end of 1915. Mr Churchill has provisionally filled the gap by accelerating three ships of the British programme; but the efficacy of this expedient will expire in the first quarter of 1916, with the consequence that three more ships must be laid down by the British Government, in addition to and before the ordinary programme of 1914. They will be additional to the 60 per cent standard.

When every allowance, however, has been made, the tables demonstrate beyond cavil that the growing anxiety of the public mind in Great Britain is abundantly justified. The results of the recent naval manœuvres have not yet been made public; but several events in the course of them, such as the raid of the attacking fleet on Grimsby, have given food for thought. It is believed that the enemy succeeded in landing many thousands of men in the course of two or three days on the East coast. Whether this be true or not will perhaps be revealed by the Prime Minister when he states the conclusions of the Sub-committee of the Committee of Imperial Defence which, aided by Mr Balfour, is investigating afresh the possibilities of invasion. The experience gained will, no doubt, be applied to settling the adequacy or inadequacy of our existing Territorial Force; but it is also likely to affect opinion on the naval standard required in the North Sea.

## United Kingdom

### III. "TWO KEELS TO ONE" AND THE MEDITERRANEAN QUESTION

THE question which obtrudes itself with growing insistency is whether, in the conditions of the next few years, we shall be able to spare an adequate force for Imperial purposes outside home waters without building on a much larger scale. The argument for larger programmes takes many forms. There is one school which contends summarily that security can be obtained only by developing at once a superiority to the next strongest Fleet of "two keels to one," or 100 per cent. If the tables are consulted, it will be seen that this standard would necessitate the beginning of thirteen new ships this year in addition to Mr Churchill's five. This would give the required proportion of 52 British ships to the German 26 in March, 1916; and Mr Churchill's already projected programme of four British to two German ships in 1914 would then maintain it in 1917. The "two keels to one" standard has the advantage of being simple and easily understood, which the 60 per cent standard has not; but there are strong objections to it. It is not clear, for instance, why, if a 50 per cent superiority be regarded as adequate in home waters, the remaining margin of 50 per cent (or 25 per cent of the whole Dreadnought strength) should be taken arbitrarily as the measure of British requirements elsewhere. It may be an adequate measure, or it may not; but stated in that way, it is obviously unscientific. An even stronger objection is its impossibility. Eighteen new ships cannot be laid down this year and manned with the necessary skilled ratings in 1916. Conscious of this difficulty, some advocates of the "two keels to one" standard fall back upon the Dominion ships. Including the Australia, the New Zealand and the Malaya, the standard would require only fifteen ships this year, and it would become still more



## The Mediterranean Question

practicable by 1917, if the Canadian Parliament were to decide on the construction of three ships next year. More reasonably stated still, the argument for "two keels to one" admits the impossibility of completing and manning even fifteen ships by 1916, but contends that the necessary increase should be spread over the programmes of the next two or three years. With these two qualifications the standard is by no means so impracticable, but it remains unscientific for the reasons already given, and it has the further disadvantage of drawing no clear line between the insular liabilities of the United Kingdom and the wider liabilities of the Empire as a whole. If it were adopted, a ship built by a Dominion would automatically take a ship off the British Estimates. That process it is much desired to avoid.

Better in principle is the argument which, taking 50 per cent as a reasonable measure of superiority against the German fleet, proceeds to lay down our further requirements by reference to the programmes of other Powers. In its extremest form, this argument demands a local superiority over the combined fleets of Italy and Austria-Hungary in the Mediterranean, as well as a 50 per cent superiority over Germany in the North Sea. There is some doubt about the intentions of the Italian and Austro-Hungarian Admiralties; but measured only by what is definitely ascertained, they will be able to dispose of nine, and possibly ten, Dreadnoughts by the end of 1915.\* This prospective strength is likely to be increased by new programmes, but Mr Churchill has recently stated† that the Admiralty has as yet no knowledge of further ships being definitely commenced, and neither Power can build Dreadnoughts in less than three years. Even on present knowledge, however, a local superiority to their combined fleets, added to a superiority of 50 per cent over Germany, would necessitate a programme

\* Mr Churchill, *Hansard*, July, 1912, p. 855.

† *Hansard*, July, 1913, pp. 1478-9 and 1482-3.

## United Kingdom

equal to that demanded by the out-and-out advocates of "two keels to one" over the next strongest Power. This Mediterranean standard is, therefore, open to all but one of the objections already stated against the "two keels to one," and it has some further disadvantages of its own. Thus British statesmanship must be credited with a liability to dementia only equalled by the Bulgarians and the Turks, if we are to conceive Great Britain at war with the combined Powers of the Triple Alliance, or any three European Powers, without having on her side at least one of the remaining Powers. It is fair to argue that Great Britain cannot allow her Mediterranean interests to depend solely on the navy of France, which is now concentrated in Mediterranean waters; but the French fleet, which will probably be equal for some time to those of Italy and Austria-Hungary combined, should not be left entirely out of a reckoning which assumes a combination of the three Central European Powers against the British fleet. Saner exponents of what may be called the local Mediterranean argument allow for this consideration, and for the further fact that a combination of Italy and Austria-Hungary against Great Britain is rendered improbable no less by their respective interests than by their historic mutual antagonism. Thus Lord Selborne argued more moderately in the House of Lords this month\* that British interests require a full Mediterranean Squadron—that is, eight (not eleven or twelve) battleships. And Mr Arthur Lee, speaking on behalf of the Front Opposition Bench on the shipbuilding vote, declared for "a one-Power standard in the Mediterranean."† There is a vagueness in this phrase which might allow of its application to the strongest Mediterranean fleet—that of France; but it was presumably intended to apply only to Italy or Austria-Hungary. Yet even these more practicable demands would seem to put a strain on

\* Hansard, August, 1913, p. 1603.

† Hansard, July, 1913, p. 1496.



## The Mediterranean Question

British resources, which would soon debar Great Britain from playing any part with the Dominions in the outer seas. Is such a policy really imposed by British interests in the Middle Sea?

Any attempt to analyse the Mediterranean question in detail would carry this article too far afield; but certain important and even governing considerations can be briefly indicated. It seems clear, in the first place, that the Mediterranean position is to be estimated in terms of policy and not of security. It involves important British interests, which may become vital; but it allows a margin of time, and does not present the issue of life and death in an immediate and decisive form. When every factor has been weighed, such as the interruption of the shortest road to India and of the bread-route from the Black Sea, the essential truth remains that the security of no British possession but Malta and Egypt can be menaced by the Mediterranean navies, unless they issue through the Straits of Gibraltar or the Suez Canal. That manœuvre is difficult, and none but the French has any base of operations in the outer seas. The Mediterranean is, therefore, a secondary theatre, in the sense that, even if Egypt be taken into account, a decision there may probably be postponed until either the Reserve Fleets be mobilized or a decision reached elsewhere. In the case of war with the Triple Alliance, victory for Great Britain in the North Sea would put the navies of the Mediterranean at her feet, while a failure in the North Sea would spell a chapter of disaster, to which the Mediterranean consequences would be small indeed. Thus, while "abandonment of the Mediterranean" is not a policy to be thought of in time of peace, when diplomatic considerations require an adequate display of British naval power, it is by no means an impossible policy in time of war. The Fourth Battle Squadron, which is now based on Gibraltar, looking both north and east, is probably so placed in deference to this governing idea.



## United Kingdom

Mr Churchill gave the following account of Admiralty policy last July:

I am bound to refer to the questions connected with the maintenance of our oversea responsibility as apart from the maintenance of the safety of this country. Apart from the fifty per cent preponderance in "Dreadnought" ships which must be maintained above the German Fleet in Home Waters for the defence of the United Kingdom, we require a powerful Fleet for foreign service in the Mediterranean and, if necessary, for the defence of the Overseas Dominions of the Crown, either in the Atlantic or in the Pacific. The station of this fleet is, during the present circumstances, the Mediterranean, because that is where there is the greatest need, as a general rule, during the present period. The strength of this fleet is regulated in the main by the naval programme of the other Mediterranean Powers. The facts of Mediterranean building are well known to the House, and I do not require to go into them this afternoon. The whole question, actual and prospective, was examined with the greatest care and attention last year by the Committee of Imperial Defence, and subsequently, with their Report in view, by the Cabinet, and the policy which the Admiralty is pursuing is not, as it is sometimes represented to be, the policy of one Department or of one Minister. It is the policy of the Government as a whole on which the Government have had to decide at every stage. Although this fleet of "Dreadnoughts" for foreign service will be maintained in or near the Mediterranean for the purpose of the whole world defence of the British Empire, it is, of course, absurd to suppose that ships are limited in their action to particular areas. If a greater need arises, either in peace or in war, the fleet in the Mediterranean can be quickly sent to protect the interests or the safety of Australia, New Zealand, or Canada, and, of course, all British ships of war, wherever they are stationed, however they are disposed, are at all times available, and will at any time be used by the Admiralty for the purpose of obtaining the main decision on which the command of the sea depends.\*

It is reasonably to be deduced from this statement that the official view approximates to that explained above; but the public mind will certainly continue to be confused by the other views of Mediterranean requirements, which are periodically bandied with great vigour by the Press; nor is a Mediterranean policy ever likely to be generally agreed upon without a broad review of naval conditions throughout the

\* Hansard, July, 1913, pp. 1478-9.

## Dominion Ships

world. When this is held, the attitude of all parties towards the Mediterranean question may conform more closely to the fundamental naval principle that security is only to be maintained by capacity to seek out and destroy the enemy's fleets in the principal theatres of war. Were Malta and Egypt self-governing Dominions, it might be difficult to persuade the public in them that the Mediterranean can be treated as a secondary theatre without serious risk; assuredly all such arguments would be denounced by the Valletta and Cairo Press. But in the actual circumstances there seems to be no reason why the Mediterranean should not be considered impassively as an area requiring certainly the maintenance of our diplomatic prestige, but having no permanent claim to absorb a quarter of the immediately effective striking-power of the Fleet. There is so great and growing a desire in Great Britain to arrive at sound strategical, as well as sound political, principles of naval co-operation with the Dominions, that the arguments in favour of this view are likely to gather increasing weight.

### IV. DOMINION SHIPS

WHAT, then, are "the whole world requirements of the British Empire" in naval defence? Mr Churchill has used the phrase several times in order to explain the Admiralty policy in regard to Dominion ships,\* and it obviously needs to be clearly understood if it is to serve its purpose as a guide to public opinion in the Dominions and in Great Britain. So far as opinion in Great Britain is concerned, there is no clear idea about it at all. In attempting to describe the British state of mind, it is only possible to disengage certain rough ideas. And it must be

\* "They [Dominion or Colonial ships] are additional to the requirements of the sixty per cent standard; they are not additional to the whole world requirements of the British Empire."—Hansard, March 26, 1913, p. 1749. See also Hansard, March 31, 1913, p. 86.



## United Kingdom

explained, to begin with, that this opinion is not "public opinion" in the ordinary sense of the term. The views of the "man on the omnibus" have already been discussed. What is now in point is the opinion of those (in England, a large body) who endeavour to study Imperial and naval questions in some detail. Service men, both active and retired, but more especially retired, play a large part in the direction of this loose and fluctuating body of ideas, but it is also influenced by lay opinions of all kinds, as may be gathered from casual correspondence no less than editorial comment in the columns of the Press. Naturally such opinion is hard to estimate with any precision; yet one or two tendencies are, without doubt, gaining strength.

There is a widespread disposition to welcome the establishment by the Dominions of local bases and flotillas ready to supply and serve the high-seas fleets. Such provision is already being made in Australia; it is projected in New Zealand and South Africa; it was part of the proposal laid by Mr Borden before his Parliament. In this respect, therefore, the co-operation of the Dominions is already regarded as well launched, and it is felt that men and material will accordingly be forthcoming in a manner consonant with the spirit of each country and certain to develop in each a patriotic enthusiasm for its own Sea-Service. But it is also generally realized, as controversy develops upon the use of Dominion ships, that local establishments of this kind will not solve the problem set by the control and disposition of battle-fleets. Two desires are vaguely making themselves felt: first, that some standard should be found which will differentiate clearly between the general naval responsibilities of the Empire and the special naval responsibilities of the British Isles, so that ships constructed for the general purposes of the Empire may not be confused with, or absorbed in, the local standard of the British Estimates; and secondly, that Dominion Dreadnoughts should not be peppered about the seas in aimless pairs or units as political ex-



## Dominion Ships

pediency may dictate, but concentrated into a squadron which can be of use. Both desires are unfortunately most difficult to realize in any practical scheme. The first, indeed, represents a wise endeavour to subordinate naval principle to political exigency; the second, an equally wise endeavour to do exactly the reverse. And both appear to be dictated by existing object-lessons of great force.

Mr Churchill's proposal to form an Imperial Squadron based on Gibraltar is believed to have fallen rather flat; and it is suspected that the reason lies in the apparent uselessness of such a squadron to the Pacific communities. Mr Allen's cautious expressions of opinion, since his visit to England, have gone far to confirm that view. On the other hand, it is not perceived what better arrangement can at present be devised. The battle cruiser "New Zealand" might seem very remote from her own people if stationed at Gibraltar, but she would certainly be serving their interests better as a unit in that definite squadron than as a strayed leviathan calling forlornly to her sister cruiser the "Australia" across the twelve hundred miles of the Tasman Sea. The "Malaya" is in the same case. It is not true that she was offered as the result of pressure by the British Government. She owes her existence partly to the imagination of the Colonial Secretary in the Malay States, who would by general agreement have been well advised to keep his visions to himself instead of communicating them even to sympathetic chiefs,\* but the Government in the Malay States certainly received no suggestion on the subject from the Colonial Office. There is a strong feeling that the episode should not be allowed to constitute a precedent, and some desire that the gift should be applied, like such part of the Indian revenue as is deflected for external defence, to service in an area closely associated with the interests of the Eastern dependencies.† But it is

\* See Despatch, Malay States No. 555, quoted in full in *The Times*, December 18, 1912.

† cf. Principles for use of Indian Revenues in Defence—Report of Welby Commission on Indian Expenditure, Cd 131. 1900, pp. 111 to 116.

## United Kingdom

seen that the interests of India and the Eastern dependencies are no better to be served than those of New Zealand by a dispersion of battle-strength in useless fragments across great distances of sea.

The security of Imperial interests in the Atlantic seems to be adequately guaranteed by the superiority of the British Fleet in home waters. Imperial interests in the Indian Ocean, on the other hand, are not threatened by any local development of naval power. There remains the Pacific. English opinion would be glad to see the reinforcement of the Empire's naval strength in that ocean, but any such movement, to be effective within reasonable time and at reasonable cost, would seem to demand joint action on a common plan by the British Pacific communities. No such plan is in existence, since the scheme of separate but homogeneous fleet-units desired by the Admiralty in 1909 has lapsed and is no longer regarded as practicable by the best naval authority. A plan, therefore, needs to be concerted by the Dominions with Pacific interests, and the measure of help required and available from the British Fleet needs to be fixed by a common understanding on naval policy beyond British home waters. Undoubtedly Great Britain is ready to contribute her share for these Imperial purposes, but the pressure in home waters has been shown to be very great, and it is certain that skilled ratings, which for some years still must be drawn from the British establishment, cannot be spared for schemes not adding directly to Imperial strength in the vital theatres. It is hoped that progress may be made towards solving these problems by the accession of Dominion Ministers to the Committee of Imperial Defence and also by the much discussed assembling of another special Conference. In all other respects opinion is vague but anxious. It waits for light and leading from its own authorities and from statesmen oversea.

One final observation should not be omitted in any review of public opinion on the Fleet. There has never



## The Marconi Debate

been a time when fuller confidence was felt by the country in its naval *personnel*. The whole establishment has been overhauled and recast in the last ten years. Officers and skilled ratings alike have risen with spirit to the new demands now made upon their endurance, reliability and enterprise. The development of submarines has shown the younger generation in the Navy to be the equal of any generation in the past. Considerable improvements have been made in the conditions of service for the lower deck. Large as is the drain upon the population from which bluejackets are derived—(they come for the most part from the English counties south of a line drawn west from Hull)—there is no lack of material of a high standard of physique and no short-falling of keen recruits. The new organization makes life at sea more onerous for all ranks. A higher order of service and intelligence is demanded throughout. There is less variety, since distant stations now absorb few ships and the proportion of shore-service is reduced; there is less leave, since modern training entails steady work at sea for the greater part of every month; there is, in the increasing delicacy of modern mechanism, an always severer strain on the companies of all types of ships. British seamen would not be human did they feel no discontent; but while they have their grievances, they are doing the work of the country in a temper which no visitor to the Fleet can observe without enthusiasm and deep respect. Whether our ships be adequate or not, they will at least not fail for lack of men to fight them with a spirit equal to the highest sea-traditions of the race.

### V. THE MARCONI DEBATE

THE long-anticipated debate upon the Marconi affair took place in the House of Commons on June 18 and 19. The attitude of public opinion described in the previous number of THE ROUND TABLE had not become more



## United Kingdom

favourable during the intervening weeks. The disclosure by the Attorney-General while under cross-examination in a libel action brought by Mr Godfrey Isaacs against a weekly journal, the *Eye-Witness*, of the fact that so long ago as January two energetic partisans upon the Select Committee, and they alone, had been taken into the confidence of the three Ministers, and the further discovery, made accidentally during the investigation of the accounts of an absconding stockbroker, that Lord Murray, having invested a portion of the party funds in the American Company, had endeavoured to bury this transaction out of sight before he went abroad—both these things had deepened the distrust with which people had regarded the proceedings ever since the *Matin* trial in March last. The third event of the series—the adoption of the majority report—was resented as an indecency.

The Chairman of the Committee, Sir Albert Spicer, is a respected member of the Liberal party, a leading Nonconformist, and a man well known over a long period for his devotion to public work in matters of religion, philanthropy, commerce and politics. He is a typical representative of middle-class Liberalism with its high standards of public and private conduct. According to custom he had drafted what he considered to be a proper statement of the results of the inquiry, but his statement was set aside by the majority of the Committee and a different statement, prepared by a member of the majority, was adopted in place of it. Yet his was in truth but gentle chiding! In the Chairman's opinion, Sir Rufus Isaacs would have been well advised if, when the American shares were offered to him on the second occasion, he had acted as he did upon the first, and had declared that he would have "nothing to do with it." For the relations between this Company and the English one were such as to give rise to misconceptions. And if on the occasion of the debate in the House of Commons in October of last year it had occurred to the ministers whose conduct had been

## The Marconi Debate

impugned to make a statement of the facts it would have tended to avert much misunderstanding and to lessen in considerable measure the labour of the Committee. There was little else to which exception could be taken by the most jealous champion of ministerial reputations; but this was enough. The majority, consisting of five Liberals, two members of the Irish party and one of the Labour party, put the Chairman's report aside in favour of a draft of Mr Falconer's, which granted the fullest absolution on the handsomest terms.

This majority report is a very simple document. It acquits the ministers concerned of the shadow of a shade of corrupt intention. It could not do less; and both Sir Albert Spicer's and the minority report, did as much. It condemns scandal and calumny in appropriate terms, and denounces the conduct of those people—journalists and others—who have indulged in such vicious proclivities. No one has taken serious exception to what is said upon this score. Finally the Committee states that it has been unable to discover any grounds for considering that the ministerial transactions in American Marconi shares were in the least degree blameworthy, or even that they were so much as indiscreet, indelicate or ill-advised. It gives a clean bill on all counts, and seeks to make an end of scandal once and for all by a succinct statement to this effect.

The publication of this report was hailed by the Opposition with derision, and by a large proportion of the Liberals themselves with grave misgiving.\* The fact that it was the report of a bare majority—a majority of one—

\* *The Nation* (Liberal) makes the following comment in its issue of June 14:

"Many Liberals think it unfortunate that the Chairman's Report should have been moved out of the way, and a colourless document substituted for it. No one can say that Sir Albert Spicer's findings were harsh in themselves, or harshly expressed. Were they irrelevant or untimely? If not, what is wrong with them? The document is said to be prolix, but the Marconi business is very complicated. It cannot be out of place to discover the nature of the relationship existing between the American and the English bodies, and to disclose the evidence which defines it."



## United Kingdom

and that even the Liberal Chairman had refused to adhere to it, intensified the dissatisfaction which was produced by its terms of indiscriminating vindication. It is possible that these excellent party politicians did not consider the consequences which their decision might entail on the standards of public life. Or it is possible that with becoming modesty they could not bring themselves to believe that a statement which rested upon nothing stronger than their authority could conceivably exercise any effect outside the narrow circles of their immediate intention. Or it may be that the conclusions at which they had arrived after nine months of labour and thought did in fact genuinely reflect the principles by which the eight gentlemen would themselves have acted in similar circumstances. If this were the case, it seems unfortunate that upon so critical an occasion the membership of the Committee should not have been more truly representative of the moral standards of Liberalism.

If the eight stalwarts, strong in their majority of one, could not tolerate the gentle chiding of their Chairman, it followed that they could stand still less the draft report of their six Unionist colleagues, who made no effort to temper the wind to the shorn lambs. This document not only very vigorously took to task the ministers concerned, but went so far as to express regret that various decisions of the majority as to the admissibility of evidence prevented the Committee from probing the whole matter to the bottom.

There were three courses open to ministers when the debate came on. They might brazen it out. They might explain it away. Or they might frankly acknowledge a series of grave errors and throw themselves upon the generosity of the House. All those ways were hedged round with difficulties, while the third was not made easier by the fact that one of the investors was an absentee, that he had never submitted himself to be examined by the Committee, that he had gone abroad with a full appreciation of the position, and had excused himself from returning on



## The Marconi Debate

the plea of important private business. But in spite of the special difficulties attaching to it the third course was the only one by which confidence in the Chancellor of the Exchequer and Sir Rufus Isaacs could be fully restored.

Mr Cave moved the Opposition resolution, which regretted the transactions and also the want of frankness displayed by the Ministers in their communications with the House.\* It is not necessary to summarize this speech, for the reason that it follows pretty closely the lines of criticism which were anticipated in the June number of *THE ROUND TABLE*. But it is worthy of remark—especially in view of certain things which have been said outside Parliament since the debate took place—that most, if not all, the chief speakers on the Government side of the House recognized the moderation and general fairness with which Mr Cave had stated his case.

The Attorney-General and the Chancellor of the Exchequer took the earliest opportunity of replying. The gist of their speeches was that they regretted their transactions; and they also regretted that they had not laid them bare before the House of Commons last October. But they regretted these things because they had given the excuse to evilly-disposed and low-minded people to harbour injurious suspicions, and to draw the most inaccurate and scandalous conclusions. They did not regret either their dealings or their reticence as in any way wrong in themselves. Both, indeed, were quite straightforward, legitimate and right in themselves. The purchases and sales of shares were open to no censure on the grounds put forward by the Opposition. The silence in October would have been the most proper and convenient course if the inquiry of the Select Committee had not been unexpectedly delayed. But that they had made a serious mistake the two Ministers did not for a moment deny. For they had failed in both

\* Mr Cave: I beg to move, "That this House regrets the transactions of certain of His Majesty's Ministers in the shares of the Marconi Company of America, and the want of frankness displayed by Ministers in their communications on the subject to the House."

## United Kingdom

instances to take into account the depravity of human nature, to which the purest things are apt to appear impure. For this want of foresight they were deeply penitent. The specific objections and criticisms, however, they repelled and denied utterly. All the censorious comments which had been based upon the fact that the contract was not formally completed; upon the interdependency of the English and American companies; upon allegations that the information on which they had acted was inaccessible to the general public and had reached them through the channel of a Government contractor; that the price at which their first purchase was made was unduly favourable, having regard to the state of the market; that the transaction was of a gambling character, and therefore unsuitable for the Chancellor of the Exchequer, or, indeed, for any Minister, to engage in—all these charges they denied with indignation. But for thoughtlessness, for carelessness, for mistakes which were manifestly the result of their own extreme innocence, they offered the fullest and the humblest apologies.

As the two ministers took this line and as we are governed by the party system, their friends had to make the best of it and follow them. Many of them, however—it is no secret—followed with misgiving and dismay. A party amendment was proposed reprobating in set terms the false charges which had been proved triumphantly “to be wholly devoid of foundation,” and leaving the true charges which nothing would explain away severely alone.\*

On the second night of the debate the atmosphere was somewhat different. A genuine attempt was then made to

\* Mr Buckmaster: I beg to move an amendment, of which notice has been given, to leave out all the words after the words “this House,” and to add the following words:

“after hearing the statements of Mr Attorney-General and Mr Chancellor of the Exchequer in reference to their purchase of shares in the Marconi Company of America, accepts those statements, and deems it right to put on record its reprobation of the false charges, of the gravest description, brought against Ministers, which have proved to be wholly devoid of foundation.”



## The Marconi Debate

arrive at some statement or formula creditable to the House, and not too hard upon the ministers concerned, which it might be possible to accept by acclamation. Most unfortunately this attempt miscarried, and the real reason why it miscarried was the insurmountable obstacle which had been created by the speeches of the Attorney-General and the Chancellor of the Exchequer on the previous evening.

The Prime Minister, when he rose, had a difficult case to deal with. For the reticence in October he was not wholly free from blame. But it was clear that he had known very little indeed, that the manner in which the statements had been put before him had not led him to suspect their importance, and that in view of his preoccupation he could only be held blameworthy in a technical sense.

His difficulty lay in the line his two colleagues had chosen to take. He had to uphold their integrity and frankness. This he did with his usual skill of phrase and argument and with all his customary loyalty and dignity. But it was a hard task—almost insurmountable for the most expert dialectician—unless he had been assisted by his opponents. Fortune came to his aid from this quarter, and he was shrewd enough to avail himself of it. The foolish interruption of an obscure but noisy member of the Unionist party gave him an opening for an impressive rejoinder. An extraordinary blunder which had been made by Lord Robert Cecil\* on the previous evening in answer to an interruption offered him another. But what gave him his greatest opportunity was what has been already commented upon in the previous article. The gross overstatement of the charges, the absurd innuendoes, the obvious underlying malice of certain critics, had produced a natural reaction and considerable sympathy with men, who, though they had acted to some extent improperly, had certainly not been guilty of the crimes which were laid to their charge.

\* It still remains obscure what Lord Robert *really meant* to convey; but what he *appeared* to mean, and what it was open to an adversary to say he meant, was clear enough and very damaging.



## United Kingdom

Mr Balfour's speech on this occasion stands quite by itself. It was one of the most powerful that he has ever delivered in the effect it produced upon men's minds and consciences. It was very quiet and courteous in words and manner. It was delivered with a certainty of emphasis and no over-emphasis, which place it in a different category from some of his more recent speeches upon the Parliament Act, Home Rule, and the famous Budget of 1909. Its supreme qualities, however, were its sense of proportion, and its kindly but deadly accuracy of vision.

Mr Balfour's speech was really an account, with a running commentary, of how all these unfortunate occurrences had taken place; of the state of mind of the chief parties at one time and another; of the innocence of their original intention; of the error of their judgment; of the gravity of their mistakes; of the extent of their alarm when they discovered their mistakes; of the motives for their reticence; of the amazing yet comprehensible folly of their procedure from the first blunder on April 18, 1912, when they bought their shares, to their crowning error on the previous night in not making such a frank admission as the House could unanimously accept. And as Mr Balfour proceeded to set out the whole story as he conceived it to have occurred, it became all but an impossibility for any man listening to him or reading his words to believe anything to the contrary. This impossibility still remains. It was not an ephemeral spell. The country has been filled with a great whirl of words on the one side and the other, but for most people who heard or have read Mr Balfour's speech it holds all that need be said upon the matter. He ended by pointing out that there were two proposals before the House—the one contained in Mr Cave's motion regretting the transactions of ministers and their reticence—the other contained in the Government amendment reprobating the false charges which had been made and rejoicing that they had been proved to be wholly devoid of foundation. "We entirely agree," continued Mr Balfour,

## The Marconi Debate

“with the substance of the amendment moved by the learned gentleman opposite. Do honourable gentlemen opposite agree with the substance of our amendment? If that is so, by the mere process of running the Resolution and the Amendment together, you may obtain complete unanimity.”

It is a thousand pities that this wise counsel did not prevail, that unanimity could not have been arrived at upon so important a matter, and that an episode of such squalor and bitterness could not have been forthwith buried out of sight and memory. Attempts were made on both sides to fall in with Mr Balfour's proposal, but agreement proved to be impossible when it came to stating the precise terms. Both sides agreed in acquitting ministers handsomely of any want of good faith. But while the Liberal amendment\* proposed to accept the expressions of regret which the two Ministers had offered with respect to their Stock Exchange dealings and their reticence, the Unionists insisted that the House ought formally to register its own regrets.† The Government held the opinion that the Unionist amendment, if carried, would amount to a vote of censure, and would entail the resignation of the two ministers.

There was substance in the Unionist objection. It was not merely matter of form. Unionists felt, and felt strongly, that the two ministers had not expressed regret for the

\* Sir Ryland Adkins: I beg to move, to leave out from the word “House,” and to add instead thereof the words:

“after hearing the statements of the Attorney-General and the Chancellor of the Exchequer in reference to their purchases of shares in the Marconi Company in America, accepts their expression of regret that such purchases were made, and that they were not mentioned in the debate of October 11 last, acquits them of acting otherwise than in good faith, and reprobates the charges of corruption brought against Ministers which have been proved to be wholly false.”

† Mr Bonar Law's draft amendment, which, however, was not moved:

“That this House, having heard the statements made by the Attorney-General and the Chancellor of the Exchequer, acquits them of acting otherwise than in good faith and reprobates the charges of corruption which have been proved to be wholly false, but regrets their transactions in shares of the Marconi Company of America and the want of frankness displayed by them in their communications with the House.”



## United Kingdom

thing which was really regrettable. Their words of contrition had been vehement enough, but vague. That they honestly regretted the consequences which their actions had entailed upon themselves and others did not indeed admit of doubt. But did they regret the transactions themselves? If so, why had they justified them? The Opposition contended that ministerial regrets had not gone to the root of the matter; and that being so, they insisted that the resolution of the House must go to the root of the matter.

It was for these reasons that no agreement was come to. Mr Bonar Law, as he was fully entitled to do in the circumstances, put the severest constructions upon the actions of the three ministers—especially upon their reticence in October, which he attributed to their having hoped against hope, even then, that by some stroke of good luck it might never after all be necessary for them to admit their participation in the Marconi gamble. It was in this spirit that the settlement went to a division. The division of course resulted in a victory for the Government. But their full majority of 108 was, upon this critical occasion, reduced to 78.

### VI. THE SEQUEL

THE evil results of this conclusion were not long in making themselves felt. A fortnight later\* the National Liberal Club invited Mr Lloyd George and Sir Rufus Isaacs to luncheon, with the avowed object of celebrating their triumphant acquittal. The Chancellor, upon this occasion, delighted his convivial audience with one of those characteristic outbursts which are described next day by an admiring Press as a "splendid fighting speech." There was not in the speech a single word of regret either for his dealings or his reticence. There was, in fact, nothing in it at all except self-glorification and abuse of all and sundry who had presumed to criticize his actions—this

\* July 2.



## The Sequel

and an advertisement of a coming land campaign which would make the Unionists quake in their shoes. It was the spectacle of the spotless victim of calumny triumphing over his enemies; or, as the Chancellor put it with greater picturesqueness, Saint Sebastian plucking out an arrow or two from his quivering flesh and casting them back at his persecutors.\*

The speech proceeded in alternate rhapsodies upon the disinterestedness of his own aspirations, and diatribes against the malice and hypocrisy of his foes. He did not conceal the fact that he had suffered: "for months and months, through the dreary, dark winter, we had to sit silent when calumny was being hurled from every quarter at our heads. We, as members of the House of Commons, felt bound by its traditions not to answer while the tribunal we belonged to was investigating the matter. We felt our hands tied. But there were other members"—and so forth and so forth. . . . Of this particular passage, as indeed of all the rest of the oration, it may be remarked not unfairly that it is pitched in too high a key. The facts are not really as the Chancellor

\* The following extract from *The Nation* (July 5) is of interest in this connection:

"I found many admirers of the Chancellor carried away by the *verve* of his speech at the National Liberal Club, and much heartened by the spectacle of this modern St Sebastian removing the arrows from his perforated body, and stringing them on to his far-glancing bow. Others again were more dazed than edified by Mr George's swift leap from the penitent form to the pulpit. If, say these critics, the amends offered in the House of Commons were a fit close to the Marconi episode, what kind of wisdom or appropriateness is there in setting it going full-blast on a note of fierce recrimination? Why, even after Lord Lansdowne's discourteous taunt, mix up the land campaign, with its large public issues, with this very personal question? Answer is made that the Celtic temperament has been sorely tried, and that it will out. True; but English folk expect measure and self-control in their public men, as well as explosive force; and if it is wise to carry with us in the new departure as great a body of opinion as possible, it may well be argued that the N.L.C. speech, with all its fire and wit, is more of a *fanfare* than a rallying cry. Statesmanship is not all sword-play. The Chancellor has been rigorously, and, in some quarters, cruelly treated. He has now to show that he possesses the intellectual power to frame policy, and the moral force to rise above his own errors and his opponents' misuse of them."

## United Kingdom

delighted to imagine them upon this festive occasion. For had he thought fit to tell the Chairman of the Committee—a fellow Liberal and an honourable man—what he did not think it any breach of his duty to tell to Messrs Falconer and Booth, the winter's sun need not have set twice upon his agony.

Various terms of condemnation have been used with regard to the participators in the Marconi affair on the one side and on the other. The charge of corruption is happily disposed of: that of slander cannot so easily be set aside. There is no advantage, however, in entering further into this aspect of the scandal here. In time it will doubtless settle itself as all things do. A minister occupying a very prominent position in the public regard, when put to a cruel test, has proved less great than people thought him. That is a national loss; unsatisfactory—though partisans may pretend the contrary—to both sides. The transactions themselves have been described in a variety of words and phrases by writers and speakers anxious to avoid the reproach of overstatement, concerned to escape the charge of calumny. These dealings have been called “indiscreet” and “indelicate” and in other mincing terms have been held up to reprobation. Indelicacy is not always a vice and indiscretion is occasionally a virtue. These words are long, and Latin, and ambiguous; and what is more, they do not fitly describe what has taken place. The simple fact is that the transactions were not merely indelicate and indiscreet, but *wrong*. The reticence was wrong. The failure to express a full and ample regret even at the eleventh hour was wrong. And although the subsequent brazen boastfulness was also wrong, it sinks into insignificance in comparison with its forerunners. By what has happened both the country and the Liberal party have suffered sharply and undeservedly. And from this fact arises the only real consolation—the whole matter has been placed in so odious a light that there is little likelihood of its forming a precedent in our public affairs.

London. August 1913.



## CANADA

### I. THE NAVAL AID BILL

THE proposal of the Government to build three Dreadnoughts for the common defence of the Empire has been defeated in the Senate, as was foreshadowed in the last issue of *THE ROUND TABLE*. Not only has the Naval Aid Bill been abandoned as a necessary result of the Senate's action, but a long, dreary and acrimonious session of Parliament has produced few measures of first-rate importance. There is no doubt that the Opposition began the session with the determination to force a general election. In pursuit of this object there was laborious and scientific obstruction. Only by the adoption of closure was the Government able to overcome the Opposition in the House of Commons and to advance the Naval Aid Bill to a third reading. The Liberal managers did not foresee the method by which closure was established. They had overlooked the rule by which the Government was enabled to move the previous question, and thus to prevent amendments and limit discussion on the resolution. Once the plan of the ministers was revealed the Opposition realized its helplessness and made only a feeble struggle against closure.

But even under closure the naval proposals were resisted. It was the set purpose of the Opposition apparently to force the Government to apply closure to the naval measure. This was done eventually and the Bill sent to the Senate by a majority of thirty-eight. Colonel McLean of St John, one of the Liberal delegation from New Brunswick, voted with



## Canada

the Government, and five Quebec Nationalists with the Opposition. As was feared, the Liberal majority in the Upper Chamber, in natural loyalty to Sir Wilfrid Laurier, refused to accept the programme of the Government. The Senate did not absolutely reject the measure, but by a vote of fifty-one to twenty-seven adopted an amendment declaring that "This House is not justified in giving its assent to this Bill until it is submitted to the judgment of the country."

There was some expectation that Sir George Ross, the Liberal leader in the Senate, would give a guarded support to the Government's policy and possibly induce his Liberal associates to allow the Bill to become law. There is reason to think that he sought to arrange a compromise between the Government and the Opposition. But nothing that he had to suggest was seriously entertained either by the Prime Minister or by Sir Wilfrid Laurier. The Government could not abandon or materially modify its policy without loss of prestige in the country; the Opposition would not consider any compromise which involved a contribution of ships to the Admiralty or recognition of the principle of a common Imperial Navy. For a generation Sir George Ross has been a leading figure among Canadian Imperialists, and possibly in many of his utterances he could have found arguments in support of the Government's position. It is doubtful, however, if he could have prevailed with the Senate, even if he had himself resisted Sir Wilfrid Laurier and broken with the party which has had his life-long allegiance. Party feeling was deeply excited by the long and bitter controversy in the House of Commons, by heated and angry writing in the Liberal press, and by sullen memories of the inflammatory attacks of French Nationalists upon the naval policy of the Laurier Administration. Sir George Ross spoke at length on the naval resolution with eloquence, ingenuity and dexterity. He repudiated the contention that there was any emergency requiring immediate action by Canada. He argued for an appropriation from year to year as the money was required for construction. He insisted that the expendi-

## The Naval Aid Bill

ture should be under the control of the Canadian authorities and that the Government should be subject to the Naval Act of the previous Administration. In substance he supported the whole position of the Liberal minority in the Commons and finally shattered any prospect of independent action in the Senate. There was a powerful reply by Sir Mackenzie Bowell, now ninety years of age, once Prime Minister and for many years Conservative leader of the Senate, but against an overwhelming Liberal majority, as amenable to partisan considerations as either party in the Commons, nothing could avail. A single Liberal, Mr J. V. Ellis of St John, once suspected of leaning towards political union between Canada and the United States, voted with the Government, while a French Conservative Senator joined the Liberal majority.

Sir George Ross's amendment was in the exact words of a resolution submitted by Mr Loughheed, Conservative Leader of the Senate, when the naval policy of the Laurier Administration was before the Upper Chamber. The charge, therefore, of attempting to wrest party advantage from the naval issue lies against both political organizations. While there was no actual alliance between Conservatives and Nationalists in the last general election, it is certain that the Conservative managers in Quebec were not averse from Nationalist support. Indeed the old Conservative party in Quebec was submerged by the Nationalists. They dictated the nomination of candidates in many of the French constituencies. The chances of an orthodox Conservative candidate in these constituencies were as hopeless as would be the chances of a Unionist in many of the stronger Nationalist divisions of Ireland. It is grossly unfair to allege that Mr Borden made any compact with the Nationalists; but that the action of the extreme French element under the leadership of Mr Bourassa embarrassed and weakened the Laurier Administration cannot be doubted. The clear design of Mr Bourassa was to command an independent group in Parliament, to hold the balance of power between the two parties, to



## Canada

withdraw Canada from any participation in naval defence, and to check the aggressive Imperial sentiment of the English Provinces. But by the patience, the courage and the resolution of Mr Borden this design was defeated and Nationalism in Parliament reduced to impotence.

Naturally Mr Bourassa now seeks to revenge himself upon the Conservative leader and to retain his authority in Quebec by vehement attacks upon the naval programme of the Government. As he had no actual compact with Mr Borden, so he has no actual alliance with Sir Wilfrid Laurier. Indeed, the Liberal leader continues to denounce the Nationalists with all the scorn and sarcasm at his command. The utterances of the French Liberal organs, however, bear a striking likeness to the language of the Nationalists, and they profess a common jealous regard for Canadian autonomy and a common apprehension concerning the ultimate objects of the "Conservative jingoes." Here, for example, is an extract from *Le Canada*, the French Liberal organ of Montreal:

It becomes more and more evident that the check suffered by the thirty-five-millions-of-tribute policy in the Senate was a direct blow at jingoism, but Canadians would be wrong to sleep in false security. A hand-to-hand fight is in progress between Canadian sentiment on the one part and jingoism on the other. The disciples of Chamberlain have enormous influence and enormous resources. And they have the millions of Cecil Rhodes, without counting the gold of the manufacturers of armaments, to stimulate the zeal of a myriad of agents and sub-agents. Moreover, in the press, in the clubs, in the Legislatures, in the financial institutions, jingoism is on the lookout. We have already told of the effort to lead astray the University students by the importation of Oxford professors to the colonies. The Navy League, the Overseas Club, the Victoria League, the Daughters of the Empire, the Empire Club; these are so many sister organizations moved by one purpose, one end.

These many organizations stretch their strings to London, to Toronto, to Winnipeg, to Montreal, to Ottawa, and once entangled in the net the little colonial fish may find it difficult to escape. Above all these clubs there is a junta sitting permanently in London. Its ramifications extend to all the colonies. It is the Round Table Club. This club was founded after the death of Cecil Rhodes. In his will the



## The Naval Aid Bill

great adventurer asked his executors to set apart a portion of his fortune for the federation of the British Empire. They founded an association of University men, a secret association with the object of finding a constitution for a federal Empire. Sub-committees, carefully chosen, were established in the colonies and very discreetly there is circulated amongst their members a Green Book, where each of the faithful gives his opinion in writing on the form of the constitution he favours. The notes and suggestions are collected with care and transmitted to the secret committee in London.

The fortune of Cecil Rhodes is in great part consecrated to the triumph of the jingo idea. Kimberley diamonds and Johannesburg gold buy and support journals and journalists. Those who devote themselves to the jingo propaganda have no cares about money. Money is no object with this formidable organization. It is certain that our Canadian Tories dipped into the Rhodes coffers during the elections of 1911. Sir Wilfrid Laurier was the obstacle to the jingo movement in our country, and the London committee did what was necessary to suppress him. Let us recall the morning after September 21, 1911. Let us remember the cry of joy raised by Mr Chamberlain, the associate of Cecil Rhodes.

Mr Borden, who up to 1909 did not fear to proclaim his faith in Canadian autonomy, finding it necessary to yield to jingoism for services rendered, made an immediate volte-face on the morning after September 21. He became *the thing* of the jingoes, to whom he owed the great part of his success at the polls. His tribute of thirty-five millions goes well with the policy which the heirs of Cecil Rhodes have sworn shall triumph. It is an immense conspiracy which should be denounced and vigorously fought. To the provocations of militant jingoism let us respond by a firm and obstinate resistance, and may the motto of every patriot henceforth be that of the old Liberal chief, "Canada First, and Canada Always."

It will not do to take these statements too seriously, for of such is the language of political agitation in Quebec. Mr Bourassa declares that in the next general election the Government will not carry more than eight or ten seats in the French Province. The estimate may not be extravagant. The Liberal press of the English Provinces, however, continues to denounce an "unholy alliance" between Mr Borden and the Nationalists, while the Conservative press professes to believe that a league of offence and defence has been established between Sir Wilfrid Laurier and the Nationalists. The truth is that there are no such alliances. Mr Bourassa

## Canada

adheres to his own ideals, and devotes himself with unabated energy to his own personal objects. Manifestly these are the increasing separation of Canada from the concerns of the Empire and an ever enlarging measure of autonomy for the Dominion. Whether or not he will appear ultimately as an advocate of separation, as is freely suspected, remains to be disclosed. He has just returned from a series of meetings in the Western Provinces, where he was heard with attention and respect. There is no more persuasive or eloquent speaker in the country, and there is as much grace and felicity in his English addresses as in those he delivers in his native tongue. Few now believe that he can ever be a national leader in Canada, but he is showing more courage and energy under adversity than he was thought to possess. Essentially destructive, without imagination or creative quality, tinged with pessimism, an austere religionist, passionately devoted to his race and his Church, and of rigid personal integrity, he appeals to ideals and prejudices which are deeply rooted in Quebec, but which become steadily less influential because of the declining influence of his Province in the councils of the country. If he has a future, it lies with the Liberal party, only to be realized when Sir Wilfrid Laurier chooses to lay down the leadership of his party and his Province.

In the meantime, between the two Canadian parties profound differences develop over naval and Imperial policy. More and more the ideals of Imperial co-operation in trade and defence influence Mr Borden and the Conservative party. The domestic patriotism of the one party is as fervent as that of the other. Neither would sacrifice the legitimate self-governing rights of Canada. Neither aims at separation from the Mother Country. Nothing could be more mischievous than the disposition of some Conservative journals to attach the stigma of disloyalty to Canadian Liberals. The thought should not be spoken in Canada nor whispered in Great Britain. The Liberal party believes apparently that the autonomy of the Dominions should be strictly preserved and judiciously enlarged. The Conservative party, perhaps



## The Naval Aid Bill

dimly as yet, conceives that greater autonomy goes towards ultimate separation, and that for the Canadian people there is a prouder citizenship, a greater security and more potent achievements in a federation of the Empire and organized co-operation for all the good ends of civilization. So, while it is not true that Mr Borden secretly favours a system of permanent contribution towards the support of the Imperial navy, probably his mind is turning towards a common Imperial fleet and against the organization of a costly independent navy for Canada; towards training seamen for the common fleet and the provision of coast and port defences, and against entrance by Canada into the naval competition which is beggaring the nations; towards a common Imperial control over peace and war, and against divided counsels and isolated action among separated nations knit together only by tradition and sentiment. We may have far to go before the full vision appears, and in the meantime there may be changes within parties and division of parties, but at least there can be no doubt that Mr Borden has one conception of Empire and Sir Wilfrid Laurier another.

On the very eve of prorogation there was a vigorous encounter between Mr Borden and the Liberal leader. There was a touch of jubilation in the speech of Sir Wilfrid Laurier; a note of defiance in that of the Prime Minister. The Opposition had destroyed the Naval Aid Bill in the Senate. The position of the Government before the country was embarrassing and difficult. In these circumstances Sir Wilfrid intimated that the House was entitled to know what course the Government would take as a consequence of the action of the Senate. In reply Mr Borden said:

The defeat of this measure by the Liberal majority in the Senate, at the dictation of the right hon. gentleman who leads the Opposition, prevents us at present from arranging that the British Government shall proceed with the construction of these ships on behalf of Canada. Technically, the Parliament of Canada has refused this aid. In reality, this aid has been refused by a partisan majority in the Senate, at the dictation of the right hon. gentleman, a majority having no responsibility whatever to the people of Canada. But, in view of



## Canada

the fact that these proposals were made by the Government of Canada upon information which they had received from the British Government through the Admiralty, which they regarded as disclosing grave conditions, it may be possible in the future to make right that which has been made wrong at the present by the right hon. gentleman and his irresponsible friends in the other House. The construction of these ships is apparently to be proceeded with by the British Government. It is quite out of the question for us at the moment to make any advance or approach to the Imperial authorities under the condition which has been created by my right hon. friend, because, technically, this measure has been rejected by the Parliament of Canada, although, in reality, it has been defeated by a few partisans in the Senate who do not represent in any sense whatever the true desire and wish of the Canadian people. As the construction of these ships is to be proceeded with by the British Government, as they are apparently to be of the same character, the same strength and the same fighting value as those which we proposed; as they are to be employed for the same purpose, that of the common defence of the Empire, which we had in mind, it is the firm intention and determination of this Government, if it remains, as undoubtedly it will remain, in power, to bring down, at a later date, a proposal for the acquisition or construction of three battleships, as was proposed in the Naval Aid Bill of 1912. In that way, before the completion of these ships, we hope and expect to be in a position to say to the British Government: Canada is prepared to do now what the unworthy action of a partisan majority in the Senate prevented her from doing before; Canada will take over and pay for and acquire these ships and will place them at the disposal of His Majesty the King for the common defence of the great Empire of which Canada forms a part.

In dealing with the statement of the leader of the Government, Sir Wilfrid Laurier practically evaded the suggestion that, if the Admiralty should lay down additional ships, Canada would seek to acquire these vessels, but insisted that in regard for his own pledges and in obedience to constitutional usage Mr Borden was bound to appeal to the country. He denied that a Canadian navy was a separatist navy, and contended that what the Government proposed was not an emergency contribution but a contribution for the regular naval programme of Great Britain. "Our policy," he continued, "is a Canadian navy. We desire to help the British Empire by taking our share in

## The Position of the Senate

building up a Canadian navy. We wish to have the navy manned and equipped in Canada. On that question we have taken our stand. Upon it we stand to-day, and I invite my hon. friend to give us an opportunity of putting it before the people."

But there will be no general election in the immediate future. The chances are that at least two sessions will be held before Parliament is dissolved. In that of 1915 the Government probably will control both Houses, and thus be in a position to give effect to the programme which is temporarily abandoned in consequence of the hostile action of the Liberal majority in the Senate.

### II. THE POSITION OF THE SENATE

THE Senate is not highly regarded by the Canadian people. The professed expectation of the makers of the Constitution that the Upper Chamber would be an independent body, moderating between parties, of judicial temper and of rarer atmosphere than the House of Commons, has not been realized. Only partisan considerations govern in appointments to the Senate. There is as strict adherence to party in the Upper as in the Lower Chamber. When the majority in the Senate belongs to the party which controls the House of Commons, the measures of the Government are seldom amended and never rejected. When the majority in the Senate is opposed to the majority in the Commons, there is irritation and conflict. During the long ascendancy of Sir John Macdonald the Senate became overwhelmingly Conservative. As a result, some of the chief measures of the Laurier Administration were mutilated or destroyed. But as there were many old men in the Senate when Sir Wilfrid Laurier became Prime Minister, seventeen years ago, death quickly restored the balance.

When Mr Borden took office, there was only a score of



## Canada

Conservatives in the Upper Chamber. In the course of only two years, however, the Conservative representation has been increased to thirty-two. The chances are that by the session of 1915 the Conservatives will have a majority in both Chambers.

Under the constitution the Canadian Government, in the event of a deadlock between the two Houses, may ask the Imperial authorities for leave to appoint six additional senators. When the West receives its full representation in the House of Commons by a measure of redistribution, probably to be introduced during next Session, the Prairie Provinces and British Columbia will be entitled to nine additional senatorial appointments. At Confederation three senatorial divisions with equal representation were created. These were Ontario, Quebec, and the Eastern Provinces, and to each twenty-four senators were allotted. The West, constituting a fourth senatorial division, will also have twenty-four senators after redistribution. If Mr Borden obtains the sanction of the Imperial Government to create six additional senators, and appoints Conservatives in these six places as well as in the nine new seats to be given to the West, there will be a total Conservative representation in the Upper Chamber of forty-seven out of a total of one hundred and two. Thus, if death continues to deal hardly with the Liberal majority, ministerial control of the Upper Chamber in the near future is inevitable. When this majority is obtained, the Naval Aid Bill will be again submitted, and adopted by both Houses. It is doubtful, however, if this situation can arise before 1915, and it is probable, therefore, that redistribution, rather than the naval policy, will be the chief subject of consideration at the next session of Parliament.

Before Confederation united Canada had an elective Legislative Council. Both in Upper Canada and in Lower Canada the nominated Council, established at the union of 1840, was attacked with such continuous and uncompromising severity that sometimes a quorum of the members



## The Position of the Senate

could not be obtained to do business in face of the storm of criticism to which they were subjected. Much of the criticism was wild, irrational and unjust, but it is impossible to think that the Council was an efficient legislative institution. The elected body which succeeded was held in greater respect, although there was grievous murmuring at the cost of electoral contests over the wide areas into which the Canadas were divided for representation in the Council. This indeed was the chief objection urged against the elective system in the Union Conference which settled the terms of Confederation. The real reason, however, for adopting the system of life nomination was that the Eastern Provinces were irrevocably opposed to an elected Senate. They demanded that the Provincial Councillors should be called to the Senate, and the concession was necessary, or at least advisable, in order to secure the support of the councillors for the project of union.

Both Sir John Macdonald and George Brown also contended for the system of nomination. They argued that two elective bodies would have co-ordinate authority, whereas the ideal Senate should represent the sober and settled feeling of the country and stand apart from the acute divisions and conflicts of party. The Colonial Secretary, and even many members of the Council and Assembly favourable to Confederation, foresaw the danger of deadlock in a Senate with a fixed membership; but, as it was insisted that the whole scheme of union would be imperilled if the provision for a nominated chamber were rejected, they sank minor differences in order to achieve the greater object. But the ideal Senate which the fathers described in the debates on Confederation has not appeared. Considerations of patronage were influential in the constitution of the Canadian Upper Chamber, and these considerations have determined its character throughout.

In nearly half a century the claims of party have been ignored in only a single appointment. The Canadian constitution reposes a vast patronage in Governments. The

## Canada

situation in Canada is exactly the situation that would exist in the United States if the President appointed every Senator, every State Governor and every Federal and State Judge throughout the Union. This perhaps is a reason why changes of Government occur so seldom in this country. The prospect of a life-seat in the Senate attracts many powerful supporters in the constituencies. It assists discipline and reduces contumacy in the House of Commons. Between 1878 and 1896 the Liberals agitated for reform of the Senate. But when the Liberal party secured a majority in the Upper Chamber, the clamour for reform dwindled into a great silence. Between 1900 and 1911 attacks upon the Senate were common enough among the organs and leaders of the Conservative party. These became more vehement when it was seen that the Naval Aid Bill was in danger. Now, however, that a cold calculation shows a vanishing Liberal majority, there is a disposition to practise reticence and to conserve this valuable patronage. As yet neither party has declared for an elective Senate, while a common agreement upon any other method of reform seems to be remote. It is admitted that with the Senate as now constituted, there is general dissatisfaction when it is active and a profound neglect of its existence when it is inactive, but its safety lies in its value to Governments when it is amenable to ministerial authority and a docile echo of the majority in the Commons.

### III. BUSINESS CONDITIONS

THERE has been some irritation over attacks by certain New York journals upon industrial conditions in Canada, and a sense of grievance over certain statements that have appeared in London concerning the soundness of Canadian municipal securities. It is true that in the Dominion, as in other countries, there is scarcity of money and credit and naturally a check to municipal enterprise and industrial expansion. Such a condition was bound to arise



## Business Conditions

It is only surprising that the check did not come some years ago. The enormous inrush of population has imposed heavy obligations upon the carrying companies, has necessitated rapid building in order to provide housing accommodation, and has strained the resources of eastern manufacturers to supply the increasing population in the western country.

Last year 400,000 immigrants entered Canada at ocean ports or crossed the border from the United States. The immigration into the Dominion was equal to that secured by the Republic when the country had twenty-five or thirty millions of population. Last year the United States received immigrants from other countries equal to three-quarters of one per cent of the total population. The influx to Canada was between six and seven per cent of the total population. In the west, as settlement and production increased, a "boom" in land trading was precipitated. The wrecks of such booms mark every period of expansion in the history of the American continent. Grain is growing to-day over not a few paper towns that were projected with abounding confidence in Manitoba thirty years ago. There are the ruins of such incipient villages in all the older provinces. They mark the westward movement of population from New England to the Pacific. So, during the last few years, there has been land speculation in Western Canada, and perhaps in the east as well, that was not controlled by prudence nor based upon permanent values.

In the height of the fever remonstrance was in vain and caution a counsel of ignorance. Unfortunately, in such seasons of speculative activity the Press is reticent or in league with the operators. Between the land dealers and the newspapers there is a practical partnership, from which each derives a return. Even bankers and mortgage companies are slow to lay a restraining hand upon the speculators when prices jump, and to doubt the future of any of these landscape cities suggests treason to Canada and the Empire.

While all this is true, it is doubtful if any permanent mischief will result. Repudiation of obligations is practically unknown in the history of Canada. Towns have been laid



## Canada

out in the west that can have no future, but these are not numerous and the losses will fall so widely that there can be no general disaster. In all the chief centres of population, even in the western provinces, housing accommodation hardly yet equals the demand. In Toronto, Hamilton, Galt, Berlin, and other industrial centres of Ontario, the supply of houses is so inadequate that municipal housing projects have been launched in order to overtake the rapid growth of industrial population. In such conditions any decrease in the volume of money necessarily causes inconvenience, and forces merchants, manufacturers and municipalities to moderate their demand and restrict their activities.

While the banks are the object of criticism, the truth is that they have acted with sympathetic moderation and have sought only to reduce undesirable speculation and discourage unnecessary flotations in the money markets. General business is sound and active. There have been no serious failures. Few workmen have been discharged. If there is dullness on the exchanges rumour does not busy itself with the solvency of financial institutions. The crop outlook both in the east and in the west is satisfactory. Federal revenues increase. The earnings of the railways are maintained. Construction proceeds rapidly on the through systems of the Canadian Northern and the Grand Trunk Pacific. Hence, while there is less buoyancy in business and a decline in purely speculative activities, the country still enjoys abundant prosperity and the general security of investments is assured. Possibly there have been doubtful flotations on the London money market. For some of these a degree of responsibility rests upon British investors. Is it too much to suggest that they should consult more freely with Canadian banking and financial houses, and turn their faces against a class of speculators who have exhausted their credit in Canada and should not receive credit elsewhere?

Canada. July, 1913.

## AUSTRALIA

### I. THE GENERAL ELECTION AND THE REFERENDA

THE fourth Parliament of the Commonwealth, which concluded its final session on December 21, 1912, consisted, in the House of Representatives, of forty-one Ministerial (Labour) members, thirty-two Opposition (Liberal) members, and two Independents, whose votes in critical divisions could be relied upon by the Fisher Government. In the Senate there were twenty-two Ministerial members and fourteen Liberals. So that after deducting the Speaker, who does not vote, the Government had a majority of ten in the one House, and of eight—for the President of the Senate frequently votes—in the other. Under the Constitution, the whole of the members of the House of Representatives, and one-half of the members of the Senate, retired. The result of the General Election which took place on May 31, 1913, has been to return thirty-seven Ministerial supporters and thirty-eight Liberals to the lower House, whilst in the Senate there will be twenty-nine Labourites and seven Liberals. Thus in a Parliament wholly chosen by the suffrages of the people, with an equal franchise for each branch of the Legislature, the existing ministry has a minority of one in the chamber which creates Governments, though it has a majority of twenty-two in the Senate.

The result comes to this, that the electors have declared to the Government:

1. We will not allow you to remain in office, and have therefore taken away your majority in the House of Representatives.

## Australia

2. But we will not give your opponents a working majority with which to reverse your policy.

3. We will, further, strengthen your power in the Senate, so that your party may prevent your opponents from legislating against your will.

The anomalous result of a return of the Liberals to the House of Representatives by a majority of one, whilst eleven out of eighteen senators elected were Labour candidates, is to be explained by the different groupings of the same electors in voting for the two houses. Generally speaking, the constituents in the large cities voted Labour, whilst the country electorates voted Liberal. For the House of Representatives the States are divided into separate constituencies. For the Senate the States vote undivided. The massing of population in the large urban (chiefly Labour electorates), overwhelmed the smaller country (chiefly Liberal) vote in the Senate election, whereas the same masses of voting strength did not weigh beyond the boundaries of particular electorates in the House of Representatives' vote. This partly explains the anomaly; though it is also apparent that so marked a disparity of result, arising from a difference of grouping, arranged without any suspicion of gerrymandering, indicates that the two parties are so nearly equal in strength that the slightest variation in the disposition of a voting mass will turn the balance of advantage one way or the other.

The totals polled by the respective parties for the Senate and for the House of Representatives show a surprising difference. Final figures are not available, but the present totals show that for the Senate the Liberals polled 2,840,239 votes and the Labour Party 2,812,382, whilst Independent candidates polled 109,284;\* whilst for the House of Representatives the Liberals polled 909,565, the Labour Party 911,744, and Independents 35,721. It will thus be seen that, though the Liberals polled a majority of Senate votes, they secured only a minority of

\* The total of these figures has to be divided by three to get the number of voters.



# The General Election and the Referenda

the seats, an anomaly which is explained by the fact that Labour won in three smaller States and lost heavily in the most populous State, New South Wales, whilst in the second most populous State, Victoria, two Liberal candidates out of three ran close to the heels of the two victorious Labour candidates.

As the returns were counted, it looked for five days after the elections as though the paradox would be further complicated by a referendum mandate favourable to the constitutional alterations projected by the Labour party. But the later figures showed that a majority of the electors had voted against the referendum proposals, which also failed to secure the support of a majority of the States, as required by the constitution. Attention will be given to the referendum results at the end of this article: here it is sufficient to breathe a sigh of relief that a baffling situation is not to be rendered farcical by yet another element of confusion.

Both the party cocks emerge from the struggle with their feathers torn and strewn, and both at the same time are crowing lustily about their victory. Thus, in the same morning's newspaper we have the Prime Minister, Mr Fisher, singing his "Nunc Dimittis" with full choral "Gloria," and his astute Minister of Defence, Senator Pearce, pointing out that the Labour Party are still "masters of the situation"; whilst we have the leader of the Opposition, Mr Joseph Cook, chanting a pæan of triumph and expressing his exceeding great joy.\*

\* The following are the names of Mr Cook's Ministry:

Prime Minister and Minister for Home Affairs	MR JOSEPH COOK . .	New South Wales.
Attorney-General . . . .	MR W. H. IRVINE . .	Victoria.
Treasurer . . . . .	SIR JOHN FORREST . .	West Australia.
Minister for Defence . . .	SENATOR E. D. MILLEN	New South Wales.
Minister for External Affairs	MR P. M. GLYN . . .	South Australia.
Minister for Customs . . .	MR L. E. GROOM . . .	Queensland.
Postmaster-General . . . .	MR AGAR WYNNE . .	Victoria.
Vice-President Exec. Council	SENATOR J. H. MCCOLL	Victoria.
Hon. Ministers . . . . .	SENATOR J. S. CLEMONS	Tasmania.
	MR. W. H. KELLY . .	New South Wales.

## Australia

In personnel, the new Parliament will differ from the last one in several important features. There will not remain in the Senate a single one of the original framers of the Commonwealth Constitution, for Sir Josiah Symon has been defeated at the polls, and Messrs J. T. Walker and Simon Fraser retired on account of advanced age. In the House of Representatives Sir John Forrest and Mr P. M. Glynn are all that remain of the "fathers of the Constitution." Sir John Quick and Sir William Lyne were defeated, and Mr Deakin's continued ill-health did not permit him to stand for election. Mr Deakin's absence is the outstanding personal fact. He needs a long holiday. He would have been actively engaged in helping his party during the recent struggle had not his medical adviser sternly commanded cessation of effort. The student of politics who pays regard to character and knowledge will hope that his absence may not be prolonged beyond the duration of the present Parliament.

Sir Josiah Symon's defeat for the Senate seat which he had occupied since the commencement of Federation was due to the self-willed individualism of the man. He refused rather haughtily to toe the party line at the peremptory demand of the South Australian Liberal organization, and they accordingly refused to put his name on their "ticket." It was bad politics for the Liberal wire-pullers in Adelaide to quarrel with Sir Josiah Symon or to allow him to quarrel with them; for he is by far the most powerful-minded man in the politics of that State, his personal following is too considerable to be overlooked, and everybody who knows anything of his disposition was aware that if the party did not choose to support him he would fight "on his own." From the legislative point of view his absence is somewhat serious, for he is a great lawyer, a man of untiring industry, and a trenchant critic. Unfortunately he is not at all likely to be chastened by defeat.

The only other anti-Labour senator whose absence on personal grounds would have amounted to a loss of magni-



## The General Election and the Referenda

tude, from a point of view transcending party balances, is Senator Millen of New South Wales, and he was returned with two Liberal colleagues. With a party of only six, he will not be able to do much, but where Senator Millen is, there will be some sort of a fight and no lack of clever strategy.

In the House of Representatives there will be seventeen new men with reputations to make in federal politics. The Labour Party have lost some stalwarts, but one or two of their accessions will be useful. They secure in Mr J. A. Arthur a lawyer of some standing, who will bring them the kind of ability of which they have been seriously in need. The loss of Sir John Quick, joint author of Quick and Garran's *Commentary on the Commonwealth Constitution*, removes a man of mark from the Liberal ranks. Mr W. H. Irvine, by far the most formidable personal force which the Labour Party have against them, became suddenly ill during the election campaign, but has recovered, and his incapacity did not lose him his seat. To Mr Irvine a very large section of well-instructed opinion looks for leadership in the present crisis. It pleases some of his opponents to represent him as a coldly intellectual person of no pronounced Liberal sympathies; but that is merely their way of interpreting his inbred detestation of cheap demagogic methods and platitudes. In the new Parliament Mr Irvine's character must necessarily count for very much; and his clear-thinking habit of mind, combined with Mr Cook's adroit management, and the courage which is native to both, will perhaps be able to make even the present Parliament an instrument of good service. But one does not see how they are to do it.

The Labour Party have nailed their referendum flag to the mast, and, though their policy has for the second time been rejected, their leaders profess that they will persist in it until they win. Inasmuch as the policy of the party is directed by its conferences, not by its Parliamentary leaders, and as the members of the conferences have nothing to lose



## Australia

personally by persistence, it is quite likely that the electors will yet again have to declare their opinion upon these far-reaching projects. Indeed the abandonment of them would involve a complete reversal of the policy of the Labour Party, and it is by no means likely that its wire-pullers out of Parliament would permit that to occur, however much the Parliamentary leaders might like to "play for safety."

The referendum proposals were six in number. They aimed at altering the Federal Constitution so as to enable the Commonwealth Parliament to legislate: (1) on trade and commerce within Australia in a wider manner than is at present permitted by section 51, paragraph 1; (2) on corporations, whether carrying on a business within a state or inter-state; (3) on labour and employment affecting any trade or industry, in a completely unfettered way; (4) for the prevention and settlement of industrial disputes on railways belonging to a state; (5) on trusts, combinations, and monopolies; and (6) for nationalizing "on just terms" any industry or business declared by a resolution of each House of Parliament to be "the subject of a monopoly."

The electors voted on these proposals with full and authentic information. Parliament passed a short act authorizing the publication of a statement of the case for and against each project. It was drafted by Mr Attorney-General Hughes for the Government and by Mr Deakin for the Opposition; and, after it had been considered by members of the respective Parliamentary parties, was issued from the Government printing office as an eighty-page pamphlet and posted to every elector in the Commonwealth. Those who read it carefully were in possession of an excellent statement of both sides of the referendum case. The result was that the whole of the six projects were rejected by the states of New South Wales, Victoria and Tasmania, whilst they were favourably received by Queensland, Western Australia, and South Australia; but the totals for all Australia negatived the policy by substantial majorities. At the time of writing the final figures are not available, but the existing

## The General Election and the Referenda

totals leave no doubt as to the firmness of the electoral negative. The following table shows the results:

	Yes Votes	No Votes
1. Trade and Commerce Proposal	923,249	955,699
2. Corporations Proposals	924,153	961,041
3. Labour and Employment Proposal	925,230	960,401
4. Railway Disputes Proposal	921,736	965,037
5. Trust and Combine Proposal	931,858	949,013
6. Nationalization of Monopolies Proposal	882,414	917,480

The affirmative figures show a marked advance on those recorded in 1911, when the Labour policy was rejected by majorities of over a quarter of a million. But the fact that the referendum of 1913 was taken in conjunction with a general election, when the element of personal struggle brought electors out to vote in larger numbers, whereas the 1911 referendum was held independently, made a great difference to the result. It is a singular fact that on this occasion Labour members with safe seats actually set influences at work to bring out opposition to themselves, in order, by stimulating the excitement of contest, to cause a greater referendum poll. There is reason to believe that one Labour candidate actually offered privately to "put up" the expenses of his opponent! It was not magnanimity but tactics. The growth of feeling in favour of the policy will, of course, be urged by the forward spirits of the Labour Party as proof that they are bound to win if they persist.

But as this policy has been twice emphatically "turned down" by the electors, the Labour Parliamentary leaders, who are shrewd politicians, may not be eager to risk Cæsar's fortunes upon it again. They are, however, leaders who have to obey an outside body, and whether they will be able, if they wish, to jettison their cargo of six Jonahs will depend upon their adroitness and persuasiveness in handling their very mandatory organizations.



## Australia

It must, moreover, be pointed out that the Labour Party does not at present fight elections on terms of equality with its political enemy. It has no powerful daily newspaper on its side. There are newly established dailies in Adelaide, Brisbane, and Hobart, but at present they do not command large circulations. Every important journal in Australia was against the party in the recent contest. Efforts are being made to remedy this deficiency. In Sydney Mr J. C. Watson, an ex-Prime Minister, is endeavouring to float and organize a daily newspaper to fight Labour's battles by the usual methods of journalism, and when he succeeds in launching his venture—for which he has secured the bulk of the capital required—it may be predicted with certainty that ere long there will be a Labour daily in Melbourne also. With a daily medium for informing public opinion in every state capital, it is quite conceivable that the Labour Party will be able to convert the present minorities into majorities for its referendum proposals. Certainly the missionary zeal that animates its supporters shows no sign of abatement; and unless the Liberal Party can evolve something more positive than a mere anti-Labour policy, faith, fervour and constancy in pursuit of an ideal are not less likely to triumph in this instance than they have done on other occasions in modern history.

A feature of the elections to be noted with some misgiving is the total annihilation of independent candidates. The case of Sir Josiah Symon has been mentioned above; his fate was shared in Tasmania by ex-Senator Colonel Cameron, who stood as an Independent Liberal, refusing to submit himself to pre-election by the Liberal organizations. Colonel Cameron is rather a hero in Tasmania. He served with Lord Roberts in Afghanistan, distinguished himself in the South African war, where he commanded an Australian contingent, and is a man of charming manners and high character. But he objected to the "machine" politics of the Liberals, just as he denounced the caucus methods of the Labour party. Consequently he was not put on the Liberal



## Naval and Military Defence

"ticket," and his personal following was not sufficient to secure his return, though his independent candidature did not wreck the Liberal chariot.

In Victoria an independent Free Trade candidate was at the bottom of the Senate poll. In New South Wales three Socialist candidates were in the same position. The candidates of the two chief parties were returned everywhere. The Liberals pour derision on the Labour caucus machine, but their own is in reality very much the same.

### II. NAVAL AND MILITARY DEFENCE

IT is natural that, when a democracy is in the throes of a general election, the question of national defence should be overshadowed in the public mind by matters of domestic interest. But this does not mean that it has been neglected, for in Australia national defence is really above party politics. Mr Fisher outlined the policy of his party in his speech on March 31. It is intended to continue the scheme laid down in Admiral Henderson's report. In the next three years a further battleship, three destroyers, two submarines, and one supply ship will be laid down. The destroyers and the supply ship are to be built in Australia, and a start will be made with shipbuilding yards at Jervis Bay in Federal territory. The naval bases are to be proceeded with and an aviation school is to be inaugurated. These are the proposals of the party which has been defeated at the polls, but they are likely to be followed by its successors.

The Opposition leader, Mr Cook, did not object to the Labour programme, but emphasized the necessity of co-operation in matters of naval defence with the British Admiralty. It is a pity that the Liberal policy was not more explicit, and a great opportunity was lost of making representation of the Dominions on the Imperial Defence

## Australia

Committee a definite issue. On this subject Mr Fisher expressed his well-known preference for frequent conferences as distinguished from continuous representation. But Mr Fisher's conferences are to be so frequent that they will be almost continuous, and must tend to develop into some more permanent organization. He repeated his request for a conference between representatives of the United Kingdom and the Dominions to arrive at an understanding as to the protection of British interests in the Pacific, and stated that further consideration of this matter had been deferred until the end of the year.

It was stated in the last Australian article in *THE ROUND TABLE* that no political party and no member of Parliament nor candidate for political honours favoured the reversal of the policy of compulsory military training. This was not strictly true, as it turned out, for the Revolutionary Socialists in New South Wales ran three candidates for the Senate who strongly oppose the scheme. The result of their action was only to expose the more vividly the weakness of the opposition to the Act, for each of these candidates polled so few votes that he forfeited his deposit. The Act is really working well, and the universal personal interest in the system is a remarkable stimulus to national consciousness. Some attempt has been made in religious bodies to secure an expression of opinion adverse to the Act, but these have almost invariably failed. Many clergymen have testified to the good effect of the discipline on the boys in the rougher quarters of the cities. The system is being brought into relation to many social activities. Drill halls will be furnished with appliances and apparatus for sport and physical training, and the drill grounds will probably become public playgrounds. It is proposed also that the various battalions should have their football and cricket teams, and be pitted against one another. These things will mitigate the lot of the trainee, for it must be admitted that the duties imposed on the boys are rather severe and that a considerable proportion of their spare time is taken up.

## Industrial Problems

The passage of the Canadian naval proposals through the Canadian Parliament has been followed with interest. Their rejection by the Senate will be regretted, if it means that Canada will take no further action. On the other hand, Australians hope that it may lead to definite steps being taken by Canada in the same direction as Australia, and towards a policy of co-operation in the Pacific. When we consider the growing hostility between Japan and the United States and the feeling of the Nationalist party in China, we in Australia feel that the Pacific is not nearly so free from danger as preoccupied statesmen in England may care to think. There is a distinct danger that the Australian statesman also, while he claims the responsibility for the Australian fleet, should overlook what that responsibility involves in the way of policy. Australia is building up a fighting organization, but she has nobody charged with the responsibility for policy. Australians could not have, and do not desire, diplomatic relations with foreign Powers, but the absence of this tends to the ignoring of the fact that the responsibility for armaments cannot be divorced from the policy which they are intended to enforce.

### III. INDUSTRIAL PROBLEMS

**I**N the last number of *THE ROUND TABLE* reference was made to the Sydney Gas Employees' and the Sydney Ferries' strike. These marked the beginning of a series of disputes in New South Wales, some of which were of a serious nature and caused severe industrial dislocation. Apart from disputes in the coal mining industry, no less than twenty strikes were recorded in that State during the months of March, April and May, and of these fifteen were in the metropolis. The most important were the strikes of the Sydney railway porters and labourers, and the Broken Hill strike. On April 3 about 400 employees of the Govern-



## Australia

ment Railway ceased work, alleging a general dissatisfaction with their working conditions, and also complaining that their organization had no representation on the Industrial Board constituted for their industry. After a period of eight days work was resumed upon the intervention of the Minister and the intimation by the Railway Commissioner that if the men did not return to work by a specified time they would be ineligible for re-employment.

In the Broken Hill case there was no quarrel or dispute between the companies and their employees and no complaint had been made as to wages, hours, or conditions of labour. The Broken Hill district, with its famous silver lead mines, forms a practically isolated community of about 32,000 persons in the extreme west of New South Wales. The district is not connected with the New South Wales railway system, but is linked up with the South Australian system by a privately owned line called the Silverton Tramway, running to Cockburn, on the South Australian border, a distance of thirty-six miles. Over this line practically all supplies for the district, as well as the ore concentrates from the mines, have to pass. The Barrier Labour Federation, with which nearly all the trade unions in the district are affiliated, sent a request to all unions in the federation that they should ask their members by referendum if they were willing to refuse to work with non-unionists after March 31. Practically all the unions took up the question with determination, and resolutions were passed to the effect that after the date specified all members should refuse to work with any person who failed to produce a financial "pence card" when called upon to do so. For a week or two an active crusade against non-unionism was carried on, and the various organizations succeeded in taking a large number of persons into the fold, with the result that by March 31 almost every employee in the town was a member of some organization or other.

In connexion with the Silverton Tramway, the Federation insisted that all members of the staff, including clerks,

## Industrial Problems

stationmasters and inspectors, except certain named officers, must join a union. On the company's objecting to seven confidential officers being coerced into joining a union, the employees were called out on April 1 and the line was closed down. Many of the mines were soon obliged to cease operations temporarily owing to their inability to get the ores away, and there was also a serious shortage of food supplies. In all, nearly 4,000 men were affected by the stoppage of work. The dispute was carried on by the Federation with great animosity and persecution. The houses of the offending officials of the tramway company were picketed, and business firms supplying these officers with goods were boycotted, while at a mass meeting of the strikers a proposal was made to seize the Silverton Company's rolling stock and to run trains to bring in the food supplies blocked at Cockburn. After a period of nineteen days work was resumed on the agreement that the seven men in question should not join any union and that any reduction of wages by the Company (except by wages board) to any member of a union should be regarded as "victimization."

In New South Wales there is a law in force imposing penalties of £50 upon all persons promoting anything in the nature of a strike; but nothing was done by the Government to nip any of these strikes in the bud by the use of the machinery of the Act. It has now appointed a Royal Commission to inquire into the whole subject. This has been done with special reference to the strike of the railway employees in April last, which was partly due to the existence of rival railway unions and to the cancellation by the Industrial Court of the registration as an industrial union of the Amalgamated Railway and Tramway Service Association. Moreover, it has been officially stated that persons taking part in strikes which are "of public or general consequence" are to be prosecuted under the Act, and proceedings have already been taken against men concerned in the railway and ferry boat strikes. In the case of the railway employees the judge condemned the action of the strikers as "reckless



## Australia

malice," while the defence set up by the ferry boat employees was stigmatized as "childish." In both cases the judge commented on the criminality of the men's offences and inflicted penalties ranging up to £10 per man. Proceedings against gas employees and Broken Hill strikers are pending.

In the other States industrial disputes of a serious nature have recently been infrequent, though a recrudescence of the "non-unionist" trouble is threatened in the Bendigo Goldfields District. The Victorian branch of the Federated Miners' Association having resolved by a large majority not to work with non-unionists, a large number of miners have been coerced into joining the union, and at the time of writing there are signs that the question may be settled without resort to extreme measures, the non-unionist employees on the mines being stated to be about twelve in number.

During the year 1912 the cost of living increased in Australia at even a greater rate than in other countries, prices in that year being over ten per cent higher than in the preceding year; and though the official statistics show some decrease during the first quarter of the current year, the cost of living is still abnormally high. This fact was seized upon by the Labour press and was used on the platform as an argument in favour of the referenda, the allegation being that the increase was due to the "rapacity of the capitalists" and to the "arbitrary increasing of prices by unscrupulous monopolists." There is, however, but little, if any, truth in these wild statements, the increase in the cost of living occurring mainly in regard to house rent, meat and certain agricultural and dairy produce. In addition to the worldwide rise in prices which occurred in 1912, parts of Australia were affected by a drought during the autumn, which has had the effect of increasing the price of various commodities. While the cost of living has increased by twenty-five per cent since 1901, average rates of wages have increased no less than twenty-four per cent in the same



## The Dominions Royal Commission

period, and the increase in wages is therefore nearly as great as that in cost of living, in spite of the phenomenal increase in prices which occurred in 1912. Up to 1911 the increase in cost of living since 1901 was thirteen and a half per cent compared with an increase of eighteen per cent in nominal wages. This gave an actual increase in effective wages (i.e. after making due allowance for the decreased purchasing power of money) of no less than three and a half per cent. It is doubtful whether this effective increase has been equalled during the period in question in any other country in the world.

### IV. THE DOMINIONS ROYAL COMMISSION

**D**URING the past two or three months the Dominions Royal Commission has been engaged in Australia on its investigations concerning the resources of the Commonwealth and the position occupied by it as an integral part of the British Empire. The information gathered has been of two kinds, viz., that obtained by actually visiting such parts of the Commonwealth as were of special interest or importance and were readily accessible in the time at its disposal, and, secondly that obtained from evidence given on Australian resources and conditions by commercial, industrial and financial experts, or by statistical authorities.

The Commission arrived in Sydney from New Zealand on March 28, and after taking evidence and travelling in parties in various localities in the mother State, a visit was paid to Queensland, succeeded in turn by visits to Victoria, Tasmania, South Australia and Western Australia, from which latter State the Commission embarked, on the homeward journey on June 9. In the course of their visits of inspection special attention was paid by the members of the Commission to agricultural and pastoral development, and to the facilities for water conservation and

## Australia

irrigation. The iron deposits in New South Wales and South Australia, the coal deposits of New South Wales, the timber resources of Tasmania and Western Australia, and the possibilities of tropical agriculture in Queensland were also made the subject of special observation. In every State evidence was taken from witnesses having expert knowledge in the several branches of inquiry. The evidence so furnished covered a wide field and the subjects dealt with ranged from high finance to immigration arrangements, and from Imperial Federation to the trade in leather.

During the months of April and May, there were conferences at Melbourne between the Canadian (Mr Foster), the Australian (Mr Tudor), and the New Zealand (Mr Fisher) ministers on trade affairs, and it is reported that provisional agreements have been arrived at by these Dominions.

Australia. June, 1913.

## SOUTH AFRICA

### I. THE CONSOLIDATION OF THE UNION

PERHAPS the most disappointing feature of the session of Parliament just ended (June) has been its failure to deal with the many demands for consolidating legislation, which have necessarily resulted from the establishment of the Union. The Act of Union embodied a constitutional change of the most fundamental kind. It brought into being, not a federation of the four colonies, but a unified state in which the four pre-existing Governments were for all constitutional purposes completely merged. The provincial councils, which alone remain to recall their existence, have no independent authority and no exclusive jurisdiction as against the Union. They are in fact, as compared with the Provincial or State Governments of Canada, Australia or the United States, purely local and subordinate authorities. The National Convention which drew up the Union Constitution could not, in the time which it devoted to its work, do more than lay the foundations of the new structure. Even in matters so important as the constitution of the Senate, and the qualification for the franchise, where outstanding provincial differences made the welding process difficult, much was left to the future determination of the Union Parliament. It was natural to think, more especially when the electors had returned to power a Government outwardly strong, supported by a substantial majority in the House of Assembly over all other parties, that the



## South Africa

first task to which Parliament would be asked to devote itself would be the consolidation of the new structure, while the material, so to speak, was still plastic, and while the movement for unification, which had carried the constitution through, was still strong. So far, however, but little has been done in this direction. Indeed, much of the legislation of the past session has appeared to accentuate, rather than remove, existing differences in provincial laws and sentiment.

In regard to constitutional difficulties left unsolved by the Act of Union, such as those mentioned above, it was not to be expected that Parliament would be able, or indeed would attempt, to find a solution in the early years of Union. But there are many matters, on which there is no such fundamental difference of opinion, in regard to which divergences of law and practice exist as between the various provinces—taxation, banking, the law relating to companies, insolvency, patents, the registration of land titles and so on. The existence of different laws governing business and commercial relations in the separate provinces causes a certain amount of inconvenience and delay. Differences in taxation give rise to inter-provincial grievances and jealousies. Many of these anomalies are not in themselves serious, but they are matters in which uniformity is desirable, and could, without serious difficulty, be attained, and, while they continue to exist, they tend to strengthen the sentiment of provincial particularism, and to delay the growth of that identity of feeling and interest which is the necessary supplement of the Act of Union. Parliament, however, has not only been unable as yet to do much in the direction of unifying and consolidating legislation, but even where it has passed laws nominally applying to the whole Union, it has constantly been driven, by the pressure of one or other of the provinces, to make concessions to provincial interests or prejudices. In this way some of the most important general Acts passed during the session contain so many exceptions and saving clauses,

## The Government Party Dissensions

for perpetuating some existing provincial law or conciliating some particular provincial sentiment, that they might almost have been passed by four separate legislatures and then patched together.

So far, then, little has been done to build up the structure of unification on the foundations laid down by the Act of Union. In a constitutional sense, provincial boundaries have been abolished, but on many of the most important public questions men still think provincially, especially in the two smaller provinces. Most of the members who represent Natal constituencies in the House of Assembly were elected primarily to look after the interests of Natal. The members from the Orange Free State, though they were not elected as a provincial party, have repeatedly formed a group to "get something for the Free State." The members from the two larger provinces have shown themselves less parochial, but, when once the provincial spirit is raised, it is not easily laid. The recent dissensions in the ranks of the Government party have no doubt stimulated the activities of these provincial groups, and at the same time have made their demands more difficult to resist.

### II. THE GOVERNMENT PARTY DISSENSIONS

THE quarrel between General Botha and General Hertzog and their respective followers still continues to be the main topic of purely political interest. At the trial of strength in the House of Assembly, on a motion of no confidence, moved from the Labour benches, the Government were supported by 68 votes against 42. This result was a complete answer to the malcontents of the Government party, who were urging on General Botha that it was his duty to resign or appeal to the country. Of the sixteen members from the Orange Free State who



## South Africa

were returned as his supporters, ten voted for him in this division, and six, including General Hertzog himself, against. Besides these, only two other members of his party voted against him, one of them being Mr Hull, his ex-Minister of Finance. From the Parliamentary point of view, therefore, the so-called split in the Ministerial party did not wear a very serious aspect. The followers of General Hertzog, however, have begun active operations in the country—more particularly in the Orange Free State. Meetings have been held in the constituencies of members who supported General Botha, and resolutions of want of confidence have been forwarded to some or all of them, though it remains to be seen how far these represent the feelings of the majority of their constituents. A congress of the party in the Free State was held at Bloemfontein in May, while Parliament was still sitting at Cape Town, and, in consequence, none of the members of Parliament whose conduct was being attacked, put in an appearance. A resolution was proposed by one of the disaffected Free State members of Parliament on May 22 declaring that the interests of the Orange Free State in particular, and of the Union in general, “have suffered and are being placed in great danger by General Botha’s senseless striving to satisfy the Opposition and a small part of our own party, this striving having reached a climax when he dismissed General Hertzog from the Ministry without giving any just reason and without having consulted the party.” It further declared that General Botha had abused the confidence of the electors of the Free State, which was only given because General Hertzog was a member of the Ministry, and that he had caused a split in the party “which threatens to become permanent and result in irretrievable loss to our people in their political, social, and religious life,” and it finally called on General Botha to resign, and expressed its confidence in General Hertzog. This motion was carried by forty-seven votes to two. A subsequent resolution was adopted unanimously that, if General Botha



## The Government Party Dissensions

should not comply with the request to resign within a week of the closing of the Congress, all members on the Government side representing the Free State should be called upon to withdraw their support from General Botha, and so bring about a dissolution of Parliament. The week elapsed, and several other weeks—for Parliament did not rise till June 16—but the threatened action of the Free State Congress produced no visible result in Parliament. Since Parliament rose, Mr Fischer, Minister of the Interior, and formerly Prime Minister of the Free State, has had two meetings of his constituents in order to explain his conduct in remaining in General Botha's Ministry without General Hertzog. His explanation was that in principle he was entirely in agreement with General Hertzog, and that General Botha had been wrong in removing him from the Ministry. He himself (Mr Fischer) had remained with General Botha in order to heal the breach if possible, but General Hertzog, by his subsequent actions, had made that impossible. He preferred to regard the differences between General Hertzog and his former colleagues as still capable of arrangement, as General Hertzog was, in his opinion, quite sound in matters of principle, but too impetuous and irresponsible in his public utterances. This explanation apparently did not commend itself to his hearers, and a vote of no confidence was passed on both occasions. At a subsequent meeting, however, this verdict was reversed by a substantial majority, so that even as regards Mr Fischer, who is the principal offender in the eyes of the followers of General Hertzog in the Free State, the opinion of his constituents is by no means unanimous. It is generally understood that General Botha himself intends to visit the Free State as soon as he can. No doubt there is in that province a strong feeling of personal attachment to General Hertzog, who is regarded as having been sacrificed on account of his championship of the Dutch Afrianders' language and national sentiment, and this feeling acts as a powerful reinforcement to the

## South Africa

resentment felt by a section of the Government party, both in that province and elsewhere, at General Botha's attitude in regard to Imperial questions and to questions such as immigration, on which they are peculiarly sensitive. At the same time the irresponsible utterances of General Hertzog and some of his supporters have caused misgivings in the minds of many who might otherwise have been disposed to sympathize with his views. It is probable that the opposition to General Botha in the other provinces will not prevail to the extent of a definite split in the party organization, and, even in the Free State, it is by no means certain that things will go to that extent. Among the country population in South Africa personal influence counts for everything in leadership, and General Botha possesses in a marked degree what has been called the magnetic personality which inclines people with whom he comes in contact to regard their differences with him as matters of small account. That his whole strength will be devoted to avoiding a serious open breach in the party is certain, and so far, though prophecy in such a matter can be little more than guess, the probabilities are in favour of his succeeding.

### III. THE IMMIGRANTS' REGULATION LAW

ONE piece of work which must be put to the credit of the recent session of Parliament is the passage of an Act to regulate the admission of immigrants. During both the preceding sessions Bills had been introduced for this purpose, but failed to satisfy opposition on both sides of the House. The subject is one of peculiar complexity and difficulty, involving as it does the position of British Indians inside the Union, as well as the claims of those who desire to come in. Other Dominions have had to deal with the claim of British Indians to come in as immigrants in face



## The Immigrants' Regulation Law

of a practically unanimous determination on the part of the European population against Asiatic immigration of any sort. Here there was the further trouble that the representatives of particular provinces, which in the past have pursued a policy of excluding Asiatics, fought most resolutely against any removal of the barrier around their own provinces in favour of Indians who had been allowed to settle in other parts of the Union. The chief trouble arose from the presence in Natal of an Indian population numbering about 120,000. For many years before Union, the colony of Natal imported Indian labourers under indentures, and, though every effort was made to induce these labourers to return to India after the expiration of their period of service, the fact remains that there is at present an Indian population in Natal of about 120,000 (of whom perhaps 40,000 are still serving under indentures), as against 97,000 Europeans. In the Orange Free State the law both before and since the war prohibited the settlement of any Asiatic in the country. In the Transvaal before the war the efforts of the Government to prevent the entry and settlement of British Indians gave rise to disputes with the British Government, but the policy of restricting Indian immigration was continued after the war, and, when responsible government was given to the Transvaal, an Act was passed forbidding in terms Asiatic immigration, and providing a system of registration for Asiatics in the colony. This, as will be remembered, was strongly resented by the British Indians in the Transvaal, and gave rise to a passive resistance movement which was, with difficulty, overcome. In the Cape Colony there was no exclusion of Asiatics as such, but the immigration law provided the usual test of writing from dictation in a European language, and, as a matter of fact, comparatively few came in. Before Union the other three Colonies were therefore able to protect themselves against an influx of Asiatics from Natal, and they naturally regarded immigration from that colony as a more immediate danger than



## South Africa

direct immigration from India. Accordingly their representatives in Parliament, while they were quite ready to pass a law regulating immigration into the Union as a whole, were utterly opposed to any relaxation of the pre-Union conditions under which the Indian population of Natal had been more or less effectively confined to that province.

Apart from the provisions intended to maintain existing provincial barriers, the Act applies the usual tests to immigrants so as to exclude criminals, persons suffering from certain diseases or physical defects, and illiterates. In addition to these tests, it gives the Government power to exclude persons or classes of persons who are deemed by the Minister, "on economic grounds, or on account of standard or habits of life to be unsuited to the requirements of the Union or any particular province thereof." This provision is designed to give the Government the necessary power to exclude Asiatic immigration, if thought desirable, by administrative action without discriminating against them *eo nomine*. In face of the overwhelming preponderance of public opinion against Asiatic immigration, the leaders of Indian opinion here—and, it may be hoped, in India also—acquiesce in the exclusion of Indian immigrants, provided there is no statutory discrimination against Asiatics or Indians by name, and provided that a certain limited number of persons is admitted from time to time to supply special needs of the Indian community here. This the Government has undertaken to do. In one particular the Act has benefitted by the criticism which was directed against the previous attempts at legislation on this matter in that provision is made for the appointment of boards at the ports, to which any immigrant rejected by the immigration officer can appeal. This will be a safeguard against arbitrary action on the part of immigration officers. The Bill, as introduced, provided that Courts of Law should have no jurisdiction to set aside or interfere with any order or act of the executive officers except on a question of domicile, but, in view of the strenuous

## The Immigrants' Regulation Law

objections of the Opposition, the Minister withdrew this provision, and gave the boards the right to state a case on questions of law for the decision of the Courts, either on their own motion or on the demand of an appellant. A further modification made in response to criticism in the House empowered the Government to appoint officers outside the Union from whom intending immigrants could obtain certificates exempting them from restriction under the clause already quoted, which gives the Minister general powers of rejection on the grounds of unsuitability. Another exempted from the provisions of this clause Asiatics who hold certificates of registration under the laws of the Transvaal, so as to remove the apprehension felt by them that if they left the Union temporarily they might be restricted on attempting to return, and also persons lawfully entitled to reside in any province, desiring to enter the Cape Province or Natal, who would have been allowed to enter these provinces under the pre-Union laws. Certain minor concessions were made on points objected to by the Opposition, and the Bill passed accepted by both parties as, perhaps, the best that could be done in a very difficult situation.

In questions directly connected with immigration the claims of the Indians have been fairly met, once the principle is accepted, as under present conditions it must be, that further immigration of Asiatics is to be prohibited. The restrictions on the movements of Asiatics settled in the country from one province to another will no doubt be a grievance, though it is not the imposition of a new disability so much as the continuance of pre-Union barriers. It may be doubted, however, whether this state of things is one which can permanently be maintained. If the Union is to be a reality in fact as well as in name, the other provinces cannot continue to stand aside from the problems arising out of the presence of so large an Indian population in Natal. Till this question of inter-provincial movement, and others affecting the Indians resident in South Africa



## South Africa

not directly connected with immigration, have been dealt with, it cannot be said that the relations between the Government and the British Indians in South Africa are entirely satisfactory. The Immigrants' Regulation Act, however, is an important step in that direction and, if the Government combines a policy of exclusion of immigrants from Asia with fair and liberal treatment of those who are already settled here, it will do much to deprive of real force the agitation which has in the past had regrettable consequences both here and in India.\*

### IV. THE RAND STRIKE

IT is too soon yet to form a considered judgment on the strike which has just ended, to understand fully its causes or forecast its results. It is too soon even to say with any confidence whether the present peace is a lasting one or only a lull in the storm. It may be of interest, however, to give a short account of a dispute which was remarkable alike in its inception, its development, and its conclusion.

The dispute began on May 20, when the management of the New Kleinfontein mine decided to make a change in the working hours of five mechanics employed underground. These men had previously worked from 7 a.m. to 3.30 p.m. from Monday to Friday, and from 7 a.m. to 12.30 p.m. on Saturday, and the change proposed was that they should work on Saturdays till 3.30 p.m., so as to make their hours of work the same as those of the miners. The men resented the change and enlisted the sympathy of their fellow workers to such an extent that a strike of all workers

\* There is considerable dissatisfaction amongst Indians in South Africa with the new Bill and a powerful demand for revision in certain particulars not affecting the principle. See *Times* despatch, dated Simla, July 31:

"There is considerable feeling in India over the South African Immigration Bill, and many messages have reached the Government urging the Crown to intervene. Mr Gokhale is returning immediately, and will raise the question with the Imperial Government. The Native Press is unanimous in urging retaliatory measures and in maintaining that the Union Government has broken faith with Mr Gokhale."



## The Rand Strike

on the New Kleinfontein mine was declared on May 26. On the same day the management of the mine, having come to the conclusion that their action might be held to be a contravention of the Industrial Disputes Act, since they had failed to give a month's notice of their intention to change working conditions, decided to withdraw their notice as to the change of hours. They did not, however, notify this to the secretary of the strike committee, which had in the meantime been formed, as he was not one of their employees, and they declined to recognize anyone else in the matter. They posted the withdrawal at the mine and wrote to the Deputy Mayor of Benoni, who had been in communication with the strike committee, intimating that they would revert to the old working hours and offering to reinstate all their employees; also offering to meet a committee of employees. A copy of this letter was also posted at the mine.

On June 6 the management of the New Kleinfontein mine posted at the mine another notice repeating its former offer of reversion to the old hours of working for the underground mechanics and of reinstatement of all employees who had come out on strike or been discharged in connexion with the dispute. This offer was to apply only to those employees who should return to work on or before June 11. The men however, were now pressing other points, viz., recognition of their Union and an eight hours' day "bank to bank," i.e. from the time of going below to the time of return to the surface. After June 11 the Company prepared to resume work and engaged men to replace those on strike. On June 17 a deputation of ex-employees met the Chairman and offered to accept the terms contained in the notice of June 6, but insisted on the unconditional reinstatement of every man out on strike. This, however, had now become a matter of some difficulty, since in the meantime some fifty men had been engaged to replace the strikers, and the Company felt bound in honour not to discharge them. On June 19 members of the strike committee visited the

## South Africa

Van Ryn mine and a ballot was taken by the men as to whether they should go out. The result was a decisive majority against striking (127 to 80), but notwithstanding that the strike committee managed to persuade or coerce—"pull out" is the technical term—the whole number. The same thing took place at the New Modderfontein mine, except that there no ballot was taken. After this interest in the strike seemed to die down, and the general opinion was that it would not last much longer. The leaders called a mass meeting for June 29 at Benoni and advertised widely an appeal for support. The local magistrate, however, forbade the meeting under a law of 1894, which empowers the authorities to forbid gatherings of people that are likely to lead to riot or commotion. The only effect of the prohibition, however, was the circulation of an appeal to the people to come prepared to assert, by force, if necessary, their right of meeting. The Government in the meantime decided not to prohibit the meeting, and it accordingly took place. Inflammatory speeches were made and extreme measures were recommended against the "scabs" who had gone to work on the mine. No concerted acts of violence took place except a somewhat feeble attempt to storm the mine, which was checked without much difficulty. There was a continuation, however, of savage assaults on men working on the mine when they ventured off the mine premises, and attempts were made to make the working of the mine impossible by wholesale intimidation.

The chief result of the meeting was a great renewal of activity in the direction of "pulling out" the men on other mines with a view to bringing about a general strike on the mines along the reef. The procedure of the strikers was to march on a particular mine, collect the men and urge them to come out. They were in all cases successful, even where a ballot of the men showed a majority against striking. At this stage the Government seemed to have decided that the police force available was inadequate to protect life and property in view of the threatened extension



## The Rand Strike

of the strike, and the Imperial troops were called in. The strike continued to spread rapidly amongst the mines and began to affect other branches of organized labour, till by Friday, July 4, practically all the mine workers were out, and some of the principal organized trades, such as the engineers, printers, masons, either had already decided or had appointed ballots for the purpose of deciding to come out. The tramway men in Johannesburg were purposely left at work and showed no desire of themselves to come out. The railway workers also remained at their posts, though a spirit of unrest which had been in existence for some time among certain sections of the men, quite independently of the trouble on the mines, was turned to account by those who regarded a general railway strike as the most effective weapon for enforcing submission to their demands.†

This was the position on Friday, July 4, on which date the strike leaders had arranged to hold a mass meeting in Johannesburg. Considerable alarm had been caused in the meantime by the rapid spread of the strike and by the methods which had been adopted to "pull out" the men on the mines. The impression created in the minds of ordinary men was that a few irresponsible men by the use of threats and actual violence had forced a strike all along the reef, in defiance of the wishes of the majority, and ignoring the ordinary constitutional methods by which decisions on questions of this sort are usually taken. The feelings of alarm were increased by the appearance of bands of excited men and women waving red flags and numbers of youths, not of the respectable working-class type, armed with sticks and other weapons, who seemed to be prepared for, if not courting, trouble. The Government, on Friday morning, issued a notice forbidding the meeting, but only a few hours before the time advertised for its commencement and too late to prevent the assemblage of large crowds of people, many of whom were doubtless spectators. The decision to prohibit the meeting was, however, enforced and the police, assisted by a strong body of troops, kept the people



## South Africa

on the move. Stones and other missiles were freely used by the crowd, but the police and troops were evidently under orders to avoid extreme measures and no attempt was made to arrest the leaders. The more violent spirits at once proceeded to stop the tramway service by pulling off the drivers and dismantling the cars. They then made their way to the station and pulled the train staff off any trains which came in.

So far there had been no serious attempt on the part of the authorities to repress the violence of the mob, and, to judge from the injuries recorded, the police and troops seemed to have suffered more than the crowd. At night, however, things took a more serious turn. Park Station—the principal station in Johannesburg—was attacked and set on fire, as also were the offices of the *Star* newspaper. Some jewellers' and gunsmiths' shops were looted, and many of the mob thus got possession of firearms which they did not hesitate to use. Towards midnight the police, having failed by other means to restore order, fired on the rioters, and similar collisions took place intermittently during the early hours of Saturday morning. The most serious incident, however, took place on Saturday afternoon, when after an attack on the Rand Club by a small body of rioters the troops tried to clear the streets adjoining the building. Missiles were thrown and some shots were fired from the crowd and the troops, after warning, opened fire. It was here that most of the casualties occurred. Shortly after this the strike leaders announced a "truce" pending negotiations with the Prime Minister and General Smuts, who had come over from Pretoria, and with the exception of some window breaking there was no further outbreak. After meeting representatives of the mining companies and the strike committee the Ministers arrived at a settlement, the terms of which were:

1. The strike to be immediately declared off, and the strikers to return to their homes; all further disturbances to cease, and no further property to be destroyed.

## The Rand Strike

2. The New Kleinfontein strikers to be reinstated and the Government to grant suitable compensation to the strike breakers, who will in no ways be victimized.

3. The strikers on other mines to return to their work, and to be taken back as mining operations are resumed on the mines, and no victimization to take place.

4. The representatives of the workers are at liberty to lay any other grievances before the Government who will inquire into them.

The casualties were twenty-one killed and upwards of fifty more or less seriously wounded.<sup>1</sup>

It is impossible to do more than describe in the barest outline the events of the two final days. There has as yet been no official inquiry to disengage the actual events from the mass of contradictory narrative which surrounds them, or to focus public opinion on the necessity or otherwise of the extreme steps which were resorted to with such terrible results in the restoration of public order. It is to be hoped in the interest of all concerned that such an inquiry will be held with the least possible delay.\* Apart from attempts to apportion individual responsibility there are one or two questions which have been forced upon the earnest attention of all serious men. What were the underlying causes of an upheaval which, arising out of an apparently trivial dispute, spread so rapidly and with so little regard to the ordinary labour organizations? What is likely to be the effect on public order and security of a settlement made by the Government with what was practically a revolutionary committee disputing possession of the town with the forces of law and order? These are questions which have made people think. It is too soon as yet to attempt to answer them. The events of a few days have struck most people with a shock of surprise from which they have not yet recovered. Labour problems and organizations are still new to South Africa. The older men have never learned to take them seriously. The only labour problem to which they have been accustomed

\* A judicial commission of inquiry was instituted on July 14.



## South Africa

is the scarcity of natives, and their attitude towards trade unions and strikes is that of the early Victorian period. The labour leaders, on the other hand, in and out of Parliament have been too much in the minority to gain a due sense of responsibility. In the recent trouble the men most prominent in forcing the pace were the revolutionary Socialists. The trade union leaders were content to follow. They have yet to learn that the red flag will not lead them to power in an ordered State. It seems at present as if the recent events will have some effect in both these directions and lead both to a better understanding of labour movements and to a truer sense of direction in those who lead them.\*

South Africa. July. 1913.

\* As a result of the refusal of the mine-owners and the Government to accede to all the demands of the miners, South Africa was threatened with a general strike timed to take place on August Bank Holiday. Elaborate precautions were taken by the Government; troops were in readiness everywhere, and arrangements were considered for the repatriation of the imported native labourers on the Rand. A period of suspense and great anxiety ensued, but at the last moment, when it was seen that the Government stood firm, the moderates gained the upper hand and the Trades Federation gave way so far as to declare that there would be no general strike for the present.

The Government has proposed that a Commission should be appointed to deal with the grievances of the strikers; the Commission to consist of one representative of the mine-workers, one of other workers, a representative of the mine-owners and one of the other industries, and a chairman to be selected by the Government. It is proposed to appoint a similar Commission to inquire into the grievances of the railway-men. The Labour leaders were at first opposed to the proposal, but it is believed that they are now treating it with greater favour.

Several questions were asked in the British Parliament with regard to the use of Imperial troops in quelling the Johannesburg riots, but the publication of Lord Gladstone's despatches revealing the very grave danger of the position made criticism difficult.



## NEW ZEALAND

### I. THE VISIT OF H.M.S. "NEW ZEALAND"

THE enthusiasm with which the people of New Zealand have welcomed their battle cruiser seems fully to justify the policy of sending her round the world. The vessel dropped anchor in Wellington Harbour on April 12, and during the two months which have since passed she has been the chief object of public interest and admiration wherever she has been. The officers have been honoured or entertained with mayoral receptions, banquets and balls; the men with picnics, excursions and sports; and the impression which all have made upon the people of New Zealand has been uniformly favourable in the highest degree. On board the vessel everybody, from Captain Halsey downwards, has been quite a model of politeness, attention and good nature, though the strain of contending with the incessant stream of visitors must have been enormous. The ordeal was not much more than half through when the newspapers complacently recorded that the "New Zealand" had received more visitors than any other of His Majesty's ships. One can well believe both that Captain Halsey's vessel has achieved this distinction and that there is no other captain in the Navy who would care to deprive him of it. During the twelve days for which the battle cruiser was open to the public in Wellington no less than 97,690 people availed themselves of the opportunity. In Auckland, where the preparations were still more extensive, and Captain Halsey and his officers had something like a royal progress to the Town Hall, the war-

## New Zealand

ship had 94,136 visitors—in ten days—and in Lyttelton, which had the advantage of being the only place where the vessel was berthed at the wharf, the enormous total of 132,400 was reached in nine days. In all cases children formed a large proportion of the visitors. Special trains were provided by Government to bring the State school children in from the country districts in large numbers free of cost. Much to the chagrin of the people of Dunedin, Captain Halsey decided there was not enough room in their harbour for his vessel to swing. The Government accordingly made what amends it could by carrying 1,500 Dunedin children all the way to Lyttelton—a distance of 237 miles—to see the war-ship there. As Captain Halsey considers that one child visitor is worth two or three adults, this must be admitted to represent good business.

The permanent value to the Empire of all the enthusiasm and the curiosity of these crowds of sightseers is not easy to assess. What went they out for to see, and how much did they carry away with them? When you are one of twenty thousand hustling through the points of the war-ship in the course of a few hours, the cynic may say that you cannot see much except the backs of those immediately in front of you, and that you have little more time for Imperial thought than in any ordinary crowd. Yet Imperial thought and feeling have really been quickened by the battle cruiser's visit, and the Navy has been brought much nearer to us than it was. Passing by a good deal of vague grandiloquence which the occasion has naturally called forth, one may quote a few sentences from the valedictory of the *Christchurch Press* as not pitching the note too high:

They (the officers and men of the "New Zealand") leave us with a clean record and take away the general regard of the whole province, which feels the better for their visit. It has produced nothing but good feeling—good feeling between city and country, good feeling between the Otago towns and Christchurch, a feeling of sound Imperialism and a new sense of the greatness and reality of the Empire.



## Naval Policy

Thus, according to the *Press* the cruiser's visit has made for local unity no less than for Imperial unity. One excellent effect that it has certainly had upon local opinion is in putting a check upon the habit of carping at the policy which resulted in the presentation of the vessel to the Empire. The action of the Ward Government was intensely popular at the time, but when the cheering was over and the Commissioner of Taxes began asking us to find the money, a more critical note was not unnatural. If this critical note had been inspired by a definite determination in favour of a more businesslike policy, there would have been much to say in its favour. But most of the critics are just as strongly opposed to any other form of naval expenditure, and not a few of them had no objection to raise four years ago when the issue was before the country. The popular enthusiasm with which the "New Zealand" herself has been greeted has gone far to curb this kind of criticism, and, regardless of party preferences, many would have been glad if Sir Joseph Ward, after his reverse of fortune, could have been here to reap the benefit of the enthusiasm instead of in London.

### II. NAVAL POLICY

IT cannot, however, be suggested that the cruiser's visit has definitely inclined the public mind towards one or other of the alternatives in future naval policy. It put people in the right mood to welcome a strenuous naval gospel—if there had been anybody to preach it. But one of the avowed objects of Mr Allen's visit to London was to find a naval policy, and his colleagues have rigidly carried out their determination to suspend judgment until his return. The result is that the whole of the recess has passed without any authoritative light and leading on the subject. The scanty Ministerial references to it have indeed been almost entirely



## New Zealand

either nebulous or negative. Mr Massey has repeatedly stated that he is well satisfied with our military preparations, but that with regard to naval defence we are falling short of our duty. On the other hand, he has strongly repudiated the report which reached us in very circumstantial form from an Australian source that Mr Allen was committing New Zealand to the establishment of a separate Navy. In his speech at the Ministerial luncheon to Captain Halsey and his officers on April 18, the Premier also said that "it might suit some parts of the Empire to build their own war-ships and man their own war-ships, but however that might be, when the time of trouble came, if the time of trouble came at all—with the first shot fired every British ship would become a British ship under Imperial control." This statement was hailed by the *New Zealand Herald*—a strong opponent of Australia's naval ideals—as bringing the project of a New Zealand navy for the first time "within the range of loyal debate."

To the *Herald*, as to the average New Zealander, the idea of the Dominion's connexion with a Navy that would not come automatically under the control of the Admiralty is repugnant. Mr Massey's stipulation was well calculated to allay the apprehensions excited on that score by Mr Allen's advocacy of a Pacific fleet, built, manned and managed by Canada, Australia, and New Zealand.

It is true that in his original statement on the subject Mr Allen himself stipulated as a condition of New Zealand's participation in such a scheme that the fleet must be an integral part of the Imperial Navy. But that has not sufficed to dispel the idea that there is something anti-Imperial in the local principle which Mr Allen desires to develop. The Prime Minister's statement has helped to remove this misconception, but it cannot be said that public opinion is yet reconciled to Mr Allen's proposals. For the present, however, ignorance and indifference rather than definite hostility have been the chief obstacles in their way. The real struggle will begin when it is known

## Naval Policy

to what extent Mr Allen's ideas, which are understood to be substantially unaltered by his interviews with the Admiralty, are approved by his colleagues. All that we know at present is that he has sent in his report; that it provides for a New Zealand quota; and that this quota will not be under Australian control—a point which is regarded as *de rigueur* by many who are reluctant to see any change in existing arrangements. The rest is to be withheld until the Cabinet has fully considered the matter and submitted its programme to the session of Parliament, which opens on June 26.\*

Though for the reasons given, Mr Allen has not been able to talk very freely of the results of his mission, he has had several interesting things to say since his return to the Dominion on June 3. The cavalier fashion in which he seemed to have rejected the idea of New Zealand's representation on the Imperial Defence Committee was the only disappointment which many of us experienced from his utterances in London. Before he set out on his mission the Government had been repeatedly asked to accept the offer made by Mr Churchill in his statement on the Navy Estimates last year. But Mr Massey was naturally in no hurry to commit himself, and the matter was still in suspense when Mr Allen left Wellington. Yet no sooner had he arrived in London than he made a statement to an interviewer which seemed to shut the door definitely against the proposal that New Zealand should seek representation on the Committee of Imperial Defence. A statement of this kind before the Minister had had the opportunity of consulting the Imperial authorities hardly seemed fair to either of the parties concerned, and it has been satisfactorily modified since his return. Asked on the day of his arrival in Auckland whether New Zealand should be represented on the Defence Committee, Mr Allen replied: "If you ask me if New Zealand was represented on the Imperial Defence Committee, I would say 'No, not

\* No reference was, as a matter of fact, made to naval policy in the Governor's speech.



## New Zealand

directly.' But I attended, and the Committee asked me a question. I told them I would suggest certain things to the Cabinet. The suggestions were considered quite satisfactory, and that, I am afraid, is all I can give you just now." This is necessarily vague, but it suggests the probability of a solution decidedly more satisfactory than the blunt negative to which Mr Allen appeared to have committed himself in London.

Speaking, a week later, to the New Zealand Club in Wellington, Mr Allen referred to his interviews with the Committee of Imperial Defence as the most interesting and impressive of all his experiences in England. He described the Committee as "existing only in the Prime Minister's brain," and was profoundly impressed with the manner in which that brain controlled the deliberations of the experts whom it had invited to confer, and summed up their conclusions at the close. Though the functions of the Committee were purely advisory, the advice, Mr Allen pointed out, was pretty certain to be adopted as a permanent policy. He proceeded to make some very interesting remarks both on New Zealand's relations to the Committee of Imperial Defence and on the formal and effective union to which he regards the stage of informal consultation as a preliminary:

He wanted to say how much we in New Zealand were indebted to the Committee. We had been invited by the Prime Minister to have a representative there permanently. He did not know that that was very convenient, but in issuing the invitation the Prime Minister had admitted New Zealand into the advisory councils of the nation. That was a tremendous step forward in Empire consolidation, to be asked by the head of the Government of the Mother Country to sit alongside the best men in England to advise upon the great questions that come before the Committee of Imperial Defence. New Zealand could not and would not neglect to accept the invitation, so far as it was convenient. It was a step forward in a progress which would be more or less rapid towards the more complete organization, which they looked to in future, of those great countries which form the Empire. The advisory committee would give place to one representative, on certain questions of defence at least, in the truer sense of the



## Naval Policy

word—not in the advisory sense, but in the executive sense—of the Dominions which enter into this great consolidation.

Two conclusions may be drawn from this passage, and both are of the first importance. In the first place, if the Government is guided by Mr Allen, New Zealand will not adopt a mere *non possumus* attitude to the invitation of the Imperial Government. The difficulty of having a Minister in anything like constant attendance at the meetings of the Defence Committee in London may be regarded as insuperable; but Mr Allen's reference to the invitation as "a tremendous step forward in Empire consolidation," shows that he is fully alive to the gravity of the issue. The second point is his acceptance of an executive body representative of the whole Empire as the ultimate solution. It is very gratifying to find the two men who do most of the Imperial thinking for the Government and the Opposition respectively, Mr Allen and Sir Joseph Ward, agreeing upon this issue with each other, and also with Mr Arthur Myers, the leading figure among the Independents. Their divergence of opinion with regard to the next step to be taken in naval policy may possibly result in our following Canada's bad example and making the issue the subject of a party fight. But the calamity should be confined to much narrower proportions than it has attained in Canada by the agreement of the opposing leaders as to the ideal of Imperial co-operation towards which any policy that may be adopted to-morrow must be regarded as a step.

It seems inevitable that Mr Allen will recommend the discontinuance of the present naval subsidy, the definite allocation to the Pacific of the money that has hitherto been sent to London—or a somewhat larger amount—and co-operation with Australia in her Naval College. The exact nature of the control that Mr Allen will expect to get in exchange for the allocated contribution is a matter as to which speculation necessarily has a wider range. But as New Zealand is neither to build ships of her own nor to send her money to Melbourne, it seems clear that Mr Allen

## New Zealand

must intend her to get the control, or a share in the control, subject to the Admiralty's direction, of some of the Imperial ships that are supposed to patrol these waters.\*

### III. THE CITIZEN ARMY

THE Territorial scheme continues to make good progress. The men themselves are responding admirably to the call of duty; the shrill opposition of a very small minority is assessed at its true value, and gives no serious concern to the politicians, except in a few southern constituencies; and the popular approval of the scheme is just as unmistakable as when it was first established. It is by employers who are short-handed, or find themselves especially busy when their men are summoned to camp, that the pinch has been most severely felt. But the employers as a class are absolutely loyal to the scheme, and have faced their difficulties with genuine public spirit. On the other hand, the Defence authorities have shown themselves as accommodating as circumstances would permit. The latest indication of their humanity is a regulation under which anybody threatened with genuine hardship, such as serious interference with his business, by the enforcement of military obligations, may apply to a magistrate for exemption. The onus of deciding whether military training shall be insisted on in these exceptional cases is thus cast upon a civil tribunal. General Godley has more than once pointed out that the only concern of the military

\* See *Times* despatch, dated Wellington, August 6, dealing with Mr Allen's annual financial statement to Parliament:

"The details of the scheme of naval organization are still the subject of correspondence with the Admiralty. When these have been adjusted, the Government, Colonel Allen said, will submit to Parliament a policy which will recognize the principle of one control for Imperial purposes, and give New Zealand a more direct responsibility for, and a more definite interest in, naval defence, and also a better opportunity for service."



## The Citizen Army

authorities is to make soldiers of those whom the civil authorities produce for training. The duty of the former begins when the recruit is delivered at the parade ground or the drill shed by the civil arm. Thus it is that exemptions, both under the regulation above mentioned, and on religious grounds, as well as the general enforcement of the law, are left to the discretion of the ordinary Courts. The tyranny of the military tribunals has remained an unfulfilled prophecy. Only two courts martial were held during the year—a fact which may be taken to indicate a recognition on the part of the military authorities both that these tribunals are in general unsuitable for dealing with the offences of a citizen army, and that such an army cannot supply the personnel and the experience for the purpose which are freely available in the case of a regular army.

With regard to the work of enforcement by the civil courts, it is worth pointing out that up to April 30 the total number of persons subjected to imprisonment or military detention for refusing to pay the fines imposed for failure to register or to submit to training was only 78—an average of less than four a month. In 13 of these cases military custody took the place of ordinary imprisonment, under the amending Act of last session. The change is found to work well, as it proves at least equally distasteful to the offenders, keeps them clear of the taint of criminal association, and materially abridges the glories of martyrdom. At the price of this very cheap sacrifice no less than 70,551 have been induced to register; 29,601 of these were Territorials, of whom 18,687 went through their week's training in camp this year. The number last year was 17,831, which represented 82·49 per cent of the posted strength, as against 83·75 per cent now. Besides the improvement represented by these figures, there has been a considerable advance in the training. There was no training in musketry last year, but this year 15,852 Territorials have been put through their course in musketry. This does not mean that any considerable proficiency in marksmanship



## New Zealand

has been attained by the average Territorials, but it at least represents a beginning. The larger scale of the camps, which have been held for the first time by brigades and coast defence commands, has also resulted in a considerable economy of money and instruction, and has provided Brigade Commanders, as well as their subordinates, with valuable experience. In addition to the 18,687 Territorials who have now had fourteen days' training in camp, it is estimated that 2,500 men, with at least an equivalent training, who would be ready to take the field to-morrow, could be obtained by special selection from ex-volunteers and men who have seen service in South Africa. Seeing that four years ago Colonel Davis reported that not more than 5,000 officers and men of the Volunteer Field Force had done any daylight work at all in the field during the past year, this aggregate of 21,000 far better trained men is a very gratifying result. By 1915 it is expected that the Territorials will have attained their full strength of 30,000.

### IV. LABOUR AND THE MUNICIPAL ELECTIONS

THE municipal elections, which were held throughout the Dominion on April 30, were remarkable for the bold attempt made by the Labour Party to capture three of the four principal cities. Both Wellington and Christchurch elected a Labour mayor last year, but in each case it was by a minority vote, the opposing forces being divided between two other Anti-Labour candidates. In Auckland, on the same occasion, the Federation of Labour, which had been promoting revolt among the Corporation labourers, and unsuccessfully claiming the right to recognition as their representative, was unwise enough to put up a candidate against the sitting mayor who sought re-election. The crushing defeat of the Federation's candidate by 10,093 votes to 3,543 resulted in the re-election of the same mayor this year without a contest. Nor did the

## Labour and the Municipal Elections

Auckland Labour Unions run a full ticket for the City Council. In Wellington, Christchurch, and Dunedin, however, this was done, and in each of these cities the Unions attempted to secure the mayoralty as well. The contest in Wellington was the most interesting of all, because the Labour Party appeared to be best organized there and most ambitious, and, apart from the municipal elections proper, was also running a candidate for every seat on the Harbour Board and Hospitals and Charitable Aid Board. The Wellington electors had 34 offices to fill, and 73 candidates to choose from, and it says much for the enterprise of the Labour Party that it supplied more than half of the candidates.

One of the causes which have recently stimulated the party's attention to municipal affairs has been the broadening of the franchise—ratepayers still enjoy a monopoly of voting power on loan proposals, but for all other purposes the municipal, like the Parliamentary franchise, is a residential franchise without distinction of sex; freeholders and ratepayers being, however, also qualified irrespectively of residence.

Under the liberal conditions now prevailing with regard to the franchise, no less than when the privilege was confined to the ratepayers, it has been found much easier to get men and women on to the roll than to get them to vote. One wholesome effect of the Labour party's campaign was to reduce this apathy very considerably, though it still left a stay-at-home vote large enough to reverse all the decisions actually recorded, if it had been so minded. At the Wellington mayoral election in 1912, 10,333 electors voted out of a total of 30,000, and 4,235 (41 per cent) of these sufficed to elect the Labour candidate. Favoured by better weather, and the coincidence of the elections with the City Council and the other local bodies above mentioned, and stimulated by the attempt of Labour to get control of them all, 19,490 electors were induced to vote this year out of a total of 34,179. Wellington was, however, for the reasons already given, decidedly above the average



## New Zealand

in this respect. In Auckland, which lacked the excitement of a contest for the mayoralty, the number of electors who voted was only 10,870 out of the 29,105 on the roll, representing 35 per cent as against Wellington's 57 per cent.

In each of the cities the contest was unique on two grounds. It represented not merely the first serious attempt on the part of organized Labour to gain control of the City Governments, but the first attempt of the kind by any party. Party influences have necessarily not been entirely excluded from municipal contests, but their part was always a subordinate one, and no candidate or combination of candidates ever before thought of hoisting a party flag. Labour has now broken the rule and introduced a new line of cleavage into municipal politics.

New Zealand electors were faced for the first time with what has long been the normal issue in Australia—the choice between supporting and opposing the Labour Party; and they were plainly told that the contest was but a first instalment of the great political campaign that Labour is organizing in view of the general election next year. It was in these general aims of the Labour Party, and not in the special programmes that it put forward for the various municipal contests, that the significance of the movement was seen to lie. Those programmes contained not a few sound and excellent proposals, and showed by their omissions that, like other political parties, the Labour Party knows how to keep inconvenient truths out of sight when dressing the front window to attract the public. But, though not in the platform of the party, it was in everybody's mind that the immediate effects of Labour's supremacy in municipal affairs would be the tendency to determine all disputes about wages and the conditions of work between the Corporation and its employees in favour of the latter, and in the case of the tramways—which in Auckland only are in private hands, and in the other cities are the greatest of the municipal undertakings—to subordinate the ratepayers' interests to those of the passengers



## Labour and the Municipal Elections

and wage-earners. It was this consideration that to a large extent roused the elector from his apathy and induced him to vote for or against the Labour candidates.

The result throughout was distinctly unfavourable to the claims of Labour. Its best achievement was in Wellington where, with an exceptionally strong candidate who had the advantage of being the sitting mayor, it only fell 508 votes short of winning the mayoralty on an aggregate poll of 19,480. In Christchurch the Labour candidate for the mayoralty was last on the list, with 3,477 votes against a total of 11,924 cast for his two competitors. A peculiarity of the Christchurch case was that the Labour mayor who secured election by a minority vote last year, and had since been dropped by the party on account of his independence, particularly in regard to the defence question, was returned as an independent at the head of the poll, by an absolute majority. In Dunedin a stronger Labour candidate than the party had been able to secure in Christchurch obtained 4,368 votes, less than 33 per cent of the total number of votes polled.

In the City Council election the results were much the same. Labour failed to win a majority of the seats in any of the cities, but in Wellington it retained the two seats which it had previously held in a council of fifteen members, and its measure of success elsewhere was similar. The general result is commonly, but not quite accurately, described as a "set-back for Labour." The party has indeed lost the two mayoralties which it won by the splitting of the hostile vote last year, but otherwise it remains practically where it was. It has, however, failed to make the advance that it hoped to make, or to impress the public with the belief that success is within measurable distance along the lines of complete independence which it has determined to pursue. In general politics Labour is given an exceptional chance by the demoralization and disintegration of the Liberals, but the municipal elections do not show that it is yet equal to the opportunity.

## New Zealand

One reason why the strong radical sentiment which condemns the present Government as "Tory" has so far failed to rally to the support of Labour is the uncertainty as to the outcome of the negotiations still proceeding for the reorganization of the party. When the Labour Party proper—which includes a large majority of the Unions, and adheres to the Arbitration Act—was reconstituted last year as the United Labour Party, it was on a broad basis which made provision for the affiliation of organizations not hitherto associated with the Labour movement. This broadening process seems to be essential if the party is ever to gain the confidence of a majority of the people, but, whether rightly or wrongly, this process is generally regarded as having been reversed by the Unity Congress which was held in January. The Federation of Labour, which organized the Congress, is commonly supposed to have "swallowed" the representatives of the United Labour Party who attended it. Reasons were given in the last number of *THE ROUND TABLE* for supposing that view to be premature, and it is quite possible that the more representative Congress to be held for the final determination of the matter in July will prove it to be mistaken.\* But in the meantime the extravagant Socialism of the creed provisionally approved in January, and the public association of the leaders of both sections of the party in its support, has spread the idea that the revolutionaries have triumphed. Until that idea has been dispelled, the possibility—which on general grounds appears to be a strong probability—of Labour's repeating in New Zealand the political successes that it has won in Australia, seems to be out of the question.

New Zealand. June, 1913.

\* See *Times* despatch dated Wellington, July 11:

"The Labour Congress has concluded . . . The triumph of the revolutionaries has been complete. The United Labour Party delegates held a separate meeting and resolved to maintain the organization of the party and to fight the revolutionaries."



# INDEX TO VOLUME III

Arbitration and War . . . . .	Page 1
Australian Banking and Currency . . . . .	81
AUSTRALIA:	
The Evolution of the Australian Banking System . . . . .	81
Australian Note issues . . . . .	88
The Commonwealth Bank . . . . .	94
Strikes and Legislation . . . . .	152
The Political Parties . . . . .	162
Current Politics . . . . .	167
Universal Military Training . . . . .	170
Finance . . . . .	352
Federal Legislation . . . . .	360
The Retirement of Mr Deakin . . . . .	529
Imperial Matters . . . . .	529
Federal Affairs . . . . .	533
The General Election and the Referenda . . . . .	537, 725
Naval and Military Defence . . . . .	733
Industrial Problems . . . . .	735
Arya-Samáj, The . . . . .	614
Balkan Crisis, The:	
<i>The Outlook</i> . . . . .	30
<i>A German View</i> . . . . .	35
Balkan War and the Balance of Power, The . . . . .	395
CANADA:	
The Naval Proposals . . . . .	134, 335, 514, 711
Railway Rates in the West . . . . .	141
French in the Schools . . . . .	144
The Panama Canal, Western Views of the . . . . .	348
The Grain Growers' Movement in Western Canada . . . . .	456
Obstruction in Parliament . . . . .	514
The Closure and The Senate . . . . .	521, 719
Canadian Banking Legislation . . . . .	524
The American Tariff . . . . .	527
The New World and the Old: A Canadian View . . . . .	637
The Naval Aid Bill . . . . .	711

## Index to Volume III

The Position of the Senate . . . . .	719
Business Conditions . . . . .	722
"Downing Street " . . . . .	585
Empire, The Ethics of . . . . .	484
England and Scotland, The Union of . . . . .	277
Ethics of Empire, The . . . . .	484
Food Taxes, The Unionists, and the . . . . .	232
Franchise Bill, The fate of the . . . . .	329
Grain Growers' Movement in Western Canada, The . . . . .	456
Home Rule Bill, The . . . . .	98, 318
<b>INDIA:</b>	
Old Ways and New . . . . .	52
Political Crime, in . . . . .	303
The Arya Samáj . . . . .	614
<b>IRELAND:</b>	
The Home Rule Bill . . . . .	98, 318
The Constitutional Conference . . . . .	99
The Ulster Question . . . . .	110
The Committee Stage . . . . .	127
Lord Dunraven and Compromise . . . . .	131
Ministers and the Stock Exchange . . . . .	425
<b>NEW ZEALAND:</b>	
The Change of Government . . . . .	178
The Outlook on Imperialism . . . . .	179
Government Policy and Finance . . . . .	183
Reform of the Legislative Council . . . . .	185
The New High Commissioner . . . . .	187
The Resignation of the Governor . . . . .	190
The Cost of Living . . . . .	192
The National Training Scheme . . . . .	193, 383, 764
The Massey Government's First Session . . . . .	381
The Waihi Strike . . . . .	386
Naval Policy . . . . .	389, 572, 759
The Labour Movement . . . . .	566
The Visit of H.M.S. "New Zealand " . . . . .	757
The Citizen Army . . . . .	764
Labour and the Municipal Elections . . . . .	766



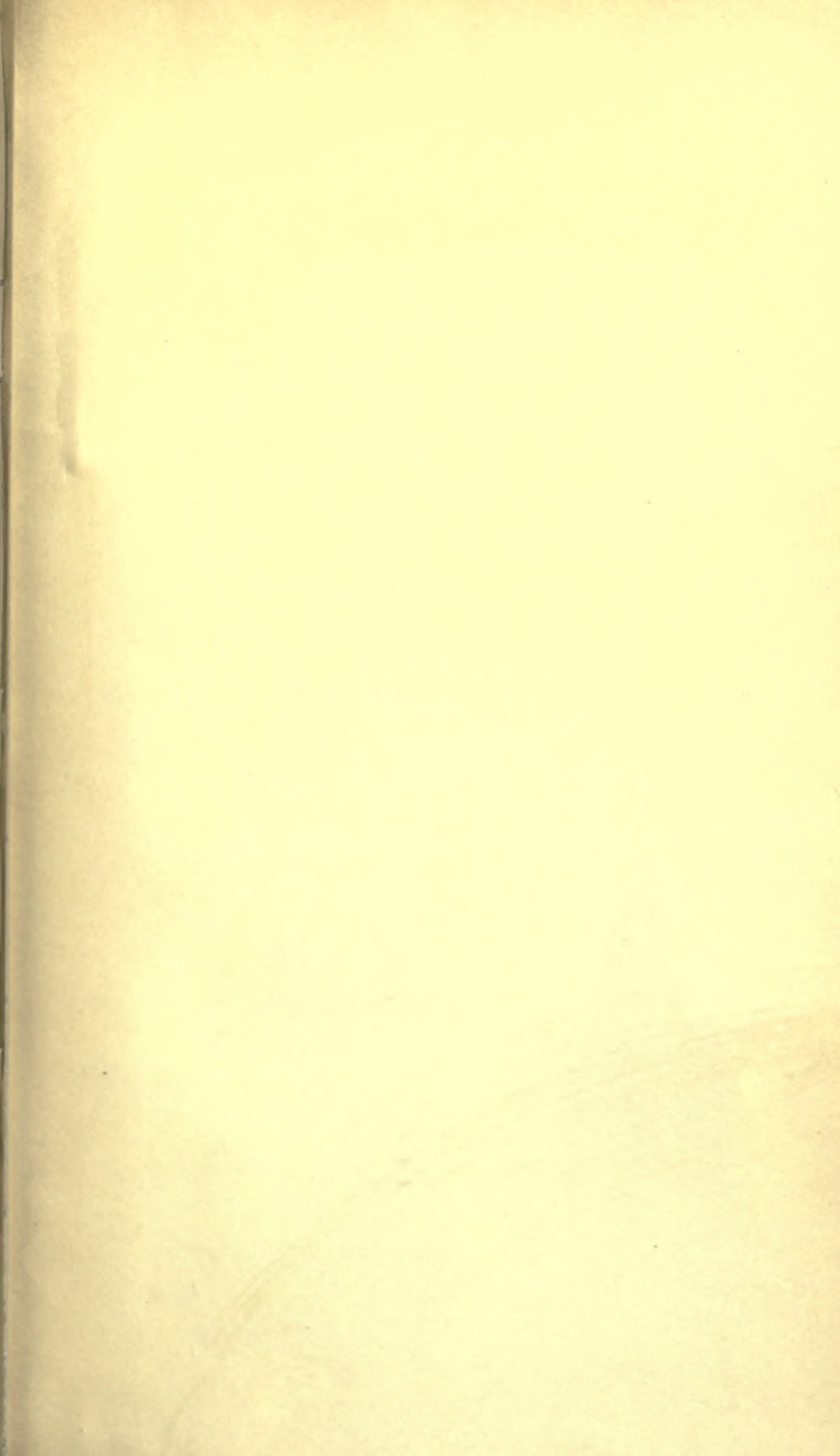
## Index to Volume III

Panama Canal, Western Views of the . . . . .	348
Policy and Sea Power . . . . .	197
Political Crime in India . . . . .	303
<b>SOUTH AFRICA:</b>	
The Rhodes Memorial . . . . .	173
The Ministerial Crisis . . . . .	368
The Labour Party . . . . .	375
The Crisis in the Nationalist Party . . . . .	545
University Reform . . . . .	552
The Native Question . . . . .	648
The Consolidation of the Union . . . . .	741
The Government Party Dissensions . . . . .	743
The Immigrants' Regulation Law . . . . .	746
The Rand Strike . . . . .	750
<b>UNITED KINGDOM:</b>	
The Home Rule Bill . . . . .	98, 318
The Constitutional Conference (1910) . . . . .	99
The Ulster Question . . . . .	110
The Committee Stage—Its Unreality . . . . .	127
Lord Dunraven and Compromise . . . . .	131
Franchise Bill, the fate of the . . . . .	329
The Marconi Affair—Ministers and the Stock Exchange . . . . .	425
Political Apathy . . . . .	502
The Discouragement of all Parties . . . . .	505
The Want of Dramatic Antagonism . . . . .	512
Public Opinion and the Navy . . . . .	673
Official Standards and Principles . . . . .	682
"Two Keels to One" and the Mediterranean Question . . . . .	690
Dominion Ships . . . . .	695
The Marconi Debate . . . . .	699
The Sequel . . . . .	708
Unionists and the Food Taxes, The . . . . .	232
Union of England and Scotland, The . . . . .	277



PRINTED AT THE ARDEN PRESS, LETCHWORTH, AND PUBLISHED  
BY MACMILLAN AND CO., LTD, ST MARTIN'S STREET, LONDON, W.C.









JN  
101  
R63  
v.3

The Round table

PLEASE DO NOT REMOVE  
CARDS OR SLIPS FROM THIS POCKET

---

UNIVERSITY OF TORONTO LIBRARY

---

